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DAILY REPORT

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ENVOY TO UN ISSUES LETTER ON AFGHANISTAN ISSUE

OW230801 Beijing XINHUA in English 0745 GMT 23 Feb 85

["China Reaffirms Position on Afghanistan Question" -- XINHUA headline]

[Text] United Nations, February 22 (XINHUA) -- The key to a political settlement of the Afghanistan question "is the total withdrawal of foreign troops from the country," Ling Qing, China's permanent representative to the U.N., said in a letter circulated here today. The letter, dated February 19 and addressed to the U.N. secretary-general, was circulated by the U.N. General Assembly and the Security Council.

Ling said that the Afghanistan question is entirely "the result of the invasion and occupation by foreign troops." The support by the international community to the struggle of the Afghan people against foreign aggression is justified and beyond reproach, he said. He said that the fact that the foreign troops have refused to withdraw from Afghanistan has impeded the implementation of the resolutions on the Afghanistan issue adopted by the past six sessions of the General Assembly and hindered a just solution of the question to this day.

"The Afghan authorities have now gone so far as to try to shift the responsibilities onto China and the other justice-upholding countries. Their acts of inflating the arrogance of the aggressors will be futile and they will only help expose further the nature of the Afghan authorities as a puppet regime," Ling said. Ling said that the Chinese Government had rejected the note of protest dated January 31, 1985 by the Afghan authorities to the Government of China.

In the note of protest, the Afghan authorities charged that "China has intervened in the internal affairs of Afghanistan, waged an undeclared war against it, dispatched advisors and instructors to training camps inside Pakistan and transferred some of the camps to China's territory."

The Chinese representative point out that the allegations are "sheer fabrications" concocted out of ulterior motives and the attempt to confuse truth and falsehood, mislead the public and divert world opinion from its condemnation of the foreign invasion of Afghanistan, so as to "extricate the Afghan authorities from the predicament of isolation."

HUANG HUA MEETS UNITED NATIONS OFFICIAL

OW250650 Beijing XINHUA in English 0644 GMT 25 Feb 85

[Text] Beijing, February 25 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of the Chinese National People's Congress, met Richard Akwei, chairman of the United Nations International Civil Service Commission, here this morning. They exchanged views about activities of United Nations organizations, the economic progress of the developing countries, the drought in Africa and other matters of mutual interest.

Present was Manfred Kulessa, resident coordinator of the United Nations System's Operational Activities for Development in China.

PAPER REPORTS REAGAN'S 21 FEB PRESS CONFERENCE

HK250347 Beijing RENMIN RIBAO in Chinese 23 Feb 85 p 7

[Dispatch from correspondent Zhang Liang: "Reagan Holds First Press Conference Since Start of Second Term, Reiterates U.S. Stand on Talks With Soviet Union, Other Issues"]

[Text] Washington, 21 February -- Tonight President Reagan held the first press conference since the start of his second term. During the press conference, he answered questions on the economy, the U.S.-Soviet disarmament talks, and the situations in the Middle East and Central America.

Reagan first commented on the figures released by the Department of Commerce today. Last year, the fourth-quarter GNP growth rate was 4.9 percent and the annual GNP growth rate was 6.9 percent, higher than the original estimates. He said that the growth had been the most sturdy since 1951.

Concerning the problems confronting U.S. agriculture, Reagan proposed an offer of \$650 million in loans and guarantees to the farmers and said that the government would hold talks with U.S. trading partners in order to help the farmers open up an international agricultural market.

Speaking on the soaring U.S. dollar exchange rate, Reagan said: "The problem with the dollar today is that our trading partners have not caught up with our economic recovery." He also said that the West European countries should correspondingly raise the values of their currencies by relying on the recovery of their economies.

Concerning the "star wars" project, Reagan said that what the United States proposed and was doing was research, and that the United States had not violated the "U.S.-Soviet agreement on limiting antiballistic missiles systems." However, if this research could possibly produce a defensive weapon that could change the balance of power, he was willing to negotiate and discuss with the Soviet Union the question of the deployment and use of such a weapon before the United States actually deployed it. The weapon would be used to free the world from the nuclear threat but not to give the United States any special advantage. President Reagan also strongly criticized the Soviet Union for its violation of past arms agreements.

Answering a question raised by a reporter on the question of the U.S.-Soviet talks on the Middle East issue, held in Vienna not long ago, Reagan said that the talks were not negotiations but an "exchange of views." He reiterated that the United States does not favor convening an international conference to settle the Middle East issue and that any such negotiations must be carried out by the Arab countries, the Palestinians, and Israel. Questioned on the United States' Nicaragua policy, Reagan asserted that it is the "duty" of his government to "help" Nicaragua's antigovernment armed forces. He said that his government was trying to persuade Congress to consent to military and economic aid for them and that he was urging Congress to offer aid to the "freedom fighters."

COMMENTARY DISCUSSES REAGAN ON NICARAGUA

OW231220 Beijing XINHUA in English 1202 GMT 23 Feb 85

["Commentary: What Reagan's "Removal" Means? (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, February 22 (XINHUA) -- U.S. President Ronald Reagan told a press conference last night that his objective is to "remove" the "present structure" of the government in Nicaragua.

When pressed by reporters to say whether this means advocating the overthrow of the Nicaraguan Government, Reagan avoided a direct answer but said, "Not if the present government would turn around and say, all right, if they'd say 'uncle.'"

The implication is clear -- if the Nicaraguan Government does not kow tow to the United States, the U.S. will overthrow it. This is, as the press called, "the boldest statement" of U.S. goals in Central America. Although the U.S. has been supporting the anti-government rebels in an attempt to overthrow the Nicaraguan Government, it never made its goal public. U.S. aid to rebels has always been "covert." However, the "boldest statement" is really a manifestation of hegemonism.

This policy violates the basic norms of the international law. The Government of Nicaragua is a legitimate government recognized by the international community. Until now, the United States itself has maintained diplomatic relations with Nicaragua. Reagan defended his position by asserting that "I don't think the Sandinistas have a decent leg to stand on. What they have done is totalitarian; it is brutal, cruel."

According to the international law, no country, no matter how powerful it is, has the right to interfere in another's internal affairs, let alone "remove" its legitimate government. Otherwise, the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea are all "legal."

At the beginning of his second term, President Reagan publicly threatened to "remove" the Nicaraguan Government. This was an ominous signal. During the past year or so, the U.S. Government, regardless of the appeal for peace by the governments and peoples of the Central American countries, stepped up interference in the region and impeded Contadora Group's peace efforts, bringing about turmoil to the region. Now Reagan is claiming "What we're doing and what we have proposed doing is within the U.N. Charter and with the O.A.S. Charter" and that the United States will "remove" the Sandinista government. One can not but ask: how long the U.S. Government wants to go along the dangerous path in Central America?

U.S. CONGRESS OPPOSES NICARAGUAN AID REQUEST

OW231844 Beijing XINHUA in English 1832 GMT 23 Feb 85

[Text] Washington, February 23 (XINHUA) -- The U.S. Administration has met with stiff opposition in Congress in its intensified effort to get its aid request of 14 million dollars for Nicaraguan rebels. The chairman and deputy chairman of the Senate Select Committee on Intelligence urged President Ronald Reagan yesterday to drop his campaign for additional aid for the U.S.-backed anti-government rebels in Nicaragua through the Central Intelligence Agency (CIA) and to formulate a new policy in conjunction with Congress. Some senators said although they wanted changes in the Nicaraguan Government, that did not mean that they or President Reagan could support the overthrow of that government.

"That's wrong because he (Reagan) cannot do that," said Senator David Durenberger, chairman of the Senate Intelligence Committee.

Senator Patrick Leahy, who is deputy chairman of the committee, said the President's continued demand for the 14 million in covert aid was "polarizing" the situation. "In the Senate no one likes the Sandinista government, but that doesn't mean we'll go out and fund the CIA covert action," he said.

President Reagan told a press conference Thursday night that his goal was to "remove" the "present structure" of the Nicaraguan Government.

Stephen Solarz, Democrat member of the House Foreign Affairs Committee, said, "I think it was a virtual declaration of war against Nicaragua. I think that his statements last night totally ignored the Contadora process and the very real possibility that the problems we confront in Central America can be resolved at the negotiating table rather than on the battlefield."

Meanwhile, U.S. Secretary of State George Shultz, speaking to the Commonwealth Club of California in San Francisco yesterday, said Americans have a moral duty to help the "freedom fighters" against the Nicaraguan Government. He said denial of more U.S. aid to the rebels would cause it to fall into "the endless darkness of communist tyranny." If this happened, he said, direct and costly American action might be required later.

Shultz's remarks were regarded in the local press as the first such public statement by a senior administration official to suggest that failure to help the rebels might eventually force the U.S. into action in Nicaragua.

RENMIN RIBAO COMMENTS ON THATCHER'S U.S. VISIT

HK250629 Beijing RENMIN RIBAO in Chinese 23 Feb 85 p 7

[Commentary by correspondent Zhang Liang: "Mrs Thatcher's Visit to Washington"]

[Text] British Prime Minister Thatcher concluded her 2-day visit to Washington and left for home on the evening of 21 February. She said that this was a "very happy and successful visit" and that both sides "held identical views on most issues."

During her visit, Thatcher held talks with President Reagan and discussed East-West relations, the present Western economic situation, the situations in the Middle East and Central America, and international terrorism. Thatcher's visit had two main purposes. One was to coordinate both sides' positions on the U.S.-Soviet disarmament talks in Geneva; the other was to urge the United States to cut its budget deficit and lower interest rates so as to stabilize the exchange rates between the U.S. dollar and other major Western currencies.

The new round of the U.S.-Soviet talks on arms control will start on 12 March. West European countries have expressed their welcome to the resumption of the talks. However, the sharply opposite positions of the United States and the Soviet Union on the "star wars" issue cast a pall over the coming talks, and this deeply upsets and worries the West European countries. In a speech in Congress, Thatcher said that she would resolutely support Reagan's plan to study "star wars," but she did not indicate that she would support the testing and deployment of these types of weapons. Britain and the United States share the same position on other issues that will be handed in the coming U.S.-Soviet disarmament talks.

Reagan said that both sides completely agreed that "the unity, patience, and determination of the Atlantic alliance are of vital importance to the success of the arms control talks" and that "it is completely necessary" for NATO to continue its plan to deploy intermediate-range missiles. The two government heads also agreed that the Soviet strategy for the Geneva talks would be to take progress in reducing nuclear weapons as "hostage" in order to make an exchange for the United States' revocation of its "star wars" plan, so the Western allies must maintain their strength and guard against the maneuvers of the Soviet Union.

Another main subject of the talks between Thatcher and Reagan was the high exchange rate of the U.S. dollar. Recently, the exchange rate between the pound sterling and the U.S. dollar has almost reached 1 to 1, and the exchange rate of the pound sterling has fallen to an all-time low. During her visit, Thatcher discussed this issue with senior U.S. officials in charge of economic affairs in an attempt to urge the United States to cut its federal budget deficit, lower interest rates, and take effective intervention steps together with other Western countries so as to check the further rise in the exchange rate of the U.S. dollar. However, at a press conference on 21 February, Reagan stressed that the cause of the rise in the exchange rate of the U.S. dollar is that the economic recovery in other Western countries has not caught up with that in the United States, so West European countries should promote their economic recovery so as to raise the value of their currencies.

It was the United States' hope that it would coordinate its position and those of its allies before the beginning of the U.S.-Soviet disarmament talks through Thatcher's visit so as to demonstrate the "unity" between the two sides of the Atlantic Ocean and to resist the "political offensive" of the Soviet Union. On the other hand, Thatcher was more interested in promoting the United States to take measures to stabilize the rate of exchange between pound sterling and the U.S. dollar, and this will help her improve her prestige at home. Although both sides reached agreement on many issues, the exchange rate of the U.S. dollar is continuing to rise, and the economic friction between the United States and West Europe will intensify.

U.S. MAKING CONTINGENCY PLANS FOR GREEK BASES

OW221846 Beijing XINHUA in English 1835 GMT 22 Feb 85

[Text] Washington, February 22 (XINHUA) -- The United States is engaged in contingency planning to remove U.S. air and naval bases from Greece after 1988 if Prime Minister Andreas Papandreu adheres to his expressed position that the bases are to be closed at that time, the Reagan administration told Congress Thursday. Richard N. Perle, assistant secretary of defense for international security policy, and Richard R. Burt, assistant secretary of state for European affairs, confirmed reports that Papandreu's criticism of the United States has caused the administration to explore "alternative" Mediterranean-area locations.

"We are indeed, as the Congress would expect us to, making sure that if we had to leave, we would not be in a situation where we would be unable to adjust," Perle said as the two testified before the House Subcommittee on European and Middle East Affairs. Both he and Burt said the administration would prefer to keep the four bases in Greece. "We will do our best to improve relations with Greece, but the Greek Government must do its part as well if there is to be progress," said Burt.

The two were testifying about the administration's fiscal 1986 requests that Greece be given 501 million dollars in military aid and Turkey 939 million dollars. Despite U.S. differences with Papandreou, Burt said, the aid request for Greece was based on the administration's assessment of what the United States must provide to live up to its commitments to Greece and to "preserve the common interests."

In response to questions from the committee, they acknowledged that the Reagan administration is unhappy over such actions by Papandreou as his refusal to participate fully in the North Atlantic Treaty Organization, his pursuit of better ties with the Soviet Union and his criticisms of the United States including the charge that the South Korean airliner shot down by Soviet aircraft in September 1983 was on a U.S. spy mission.

CIA REPORT SHOWS DROP IN USSR DEFENSE SPENDING

OW230302 Beijing XINHUA in English 0252 GMT 23 Feb 85

[Text] Washington, February 22 (XINHUA) -- The rate of increase in the Soviet Union's defense expenditures has declined since 1976, according to a report released by the U.S. Central Intelligence Agency Thursday. In its report, prepared for the congressional Joint Economic Committee by Robert Gates, the CIA's deputy director for intelligence, the agency said "before 1976, growth in total (Soviet) defense spending had averaged about 4-5 percent per year. After 1976, the rate of increase in spending dropped appreciably, to about two percent a year."

This figure was different from information released by the Pentagon's Defense Intelligence Agency June 13 last year. That agency said that Soviet military spending increased by three to four percent over the 1982-1983 period. However, a Pentagon official said yesterday that "nothing has occurred (since last June) to make us want to change" the Defense Intelligence Agency's estimate.

According to the CIA report, even at the reduced rate of Soviet military growth, the Soviet military "was able to continue to modernize its forces and to enhance substantially its military capabilities." The CIA report said that between 1976 and 1983, the Soviets purchased 1,100 land-based intercontinental ballistic missiles and 700 submarine-launched ballistic missiles, 5,000 fighter planes, 300 bombers and 15,500 new tanks.

TIAN JIYUN AT SCIENCE, TECHNOLOGY REVIEW FETE

OW241446 Beijing XINHUA in English 1438 GMT 24 Feb 85

[Text] Beijing, February 24 (XINHUA) -- A tea party was held here this afternoon to mark the resuming of the publication for the SCIENCE AND TECHNOLOGY REVIEW run by Nobel prize winner Chen Ning Yang and other American-Chinese scientists. The magazine, in Chinese, is distributed in China and other parts of the world. "Promote the exchanges of science and technology and explore the courses and means of modernization" is the policy of the magazine published in Berkeley, according to the fourth issue available to XINHUA. Also on the Editorial Board is Professor Shing-shen Chen of the University of Berkeley, California. The magazine started publication in January 1980. But it stopped publication after the third issue came out the same year due to technical reasons, according to participants at the tea party. Vice-Premier Tian Jiyun headed the Chinese guests at the party.

CHERNENKO SPEECH COMMENTS ON TIES WITH U.S., PRC

OW230258 Beijing XINHUA in English 0243 GMT 23 Feb 85

[Text] Moscow, February 23 (XINHUA) -- There exists great divergence of views between the Soviet Union and the United States on their Geneva talks scheduled to start on March 12. However, an agreement is "necessary and possible," Soviet President Konstantin Chernenko said here today in a written speech to his electorate. A TASS report said that Chernenko was advised by Kremlin doctors not to attend today's meeting of Moscow voters. The Soviet leader has not appeared in public since December 27 last year.

The Soviet Union does not "strive to acquire any unilateral military advantage over the United States or other NATO countries", Chernenko said in his speech. "We want termination, and not continuation of the arms race," he said. "We want a real reduction of the arms stockpiles, destruction of a substantial portion of them by way of a beginning, and not the development of ever new weapon systems, be it in space or on earth, offensive or purportedly defensive systems," he added.

Chernenko also mentioned that the Warsaw Treaty will expire in near future. All the signatories, however, are willing to see the treaty extended, he added. Under present circumstances, all the Warsaw Treaty states still need to coordinate their foreign policies, Chernenko said.

On Sino-Soviet relations, the Soviet president said that the Soviet Union attaches great importance to the normalization of the relations between the two countries. He noted that both countries had taken some beneficial steps in the past year. Though it must be admitted, he said, that there still exist serious political differences between them, the Soviet Union hopes that Sino-Soviet relations will further be improved through the efforts of the two countries.

ACTIVITIES COMMEMORATE SOVIET ARMY ANNIVERSARY

Xu Xin Attends Reception

LD221431 Beijing XINHUA in English 1257 GMT 22 Feb 85

[Text] Beijing, February 22 (XINHUA) -- Captain V.P. Kasatkin, military, naval and air attache of the Soviet Embassy in Beijing, gave a reception here this afternoon to mark the 67th anniversary of the founding of the Soviet Army. Among the guests were Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, and diplomatic envoys and military attaches from various countries.

Hubei Leaders Place Wreath

HK240159 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Feb 85

[Text] Today is the 67th anniversary of the Soviet Army. Hubei Vice Governor Wang Libin, Wuhan Vice Mayor Wang Jie, and Deng Ken, director of the Hubei and Wuhan branch of the Sino-Soviet Friendship Association, and (Shen Jian), director of the provincial Foreign Affairs Office, laid wreaths this morning at the Soviet Air Force Volunteer Corps Memorial in Liberation Park, Hankou, on behalf of the provincial and city governments and the provincial and city governments and the provincial and city branch of the Sino-Soviet Friendship Association. The wreaths bore the inscription "Eternal glory to the Soviet Red Army martyrs sacrificed in the antifascist war."

THAILAND'S SITTHI ON LI XIANNIAN TRIP, CAMBODIA

BK211424 Beijing in Cambodian to Cambodia 1030 GMT 20 Feb 85

[Text] In a written reply to questions by Chinese correspondents, on 19 February Thai Foreign Minister Sitthi Sawetsila highly appreciated the forthcoming visit to Thailand by President Li Xiannian. He noted that the military settlement of the Cambodian problem imposed on the Cambodian people by Vietnam is useless. Sitthi Sawetsila expressed warm welcome to the forthcoming state visit to Thailand by Li Xiannian. He said the president's visit to Thailand is an historic stage, an important milestone in the relationship between our two countries and peoples. Li Xiannian's visit will further strengthen cooperation and relations between Thailand and China. The Thai people are looking forward with warm feelings to the visit to Thailand by His Excellency Li Xiannian, president of the PRC.

Foreign Minister Sitthi Sawetsila pointed out that over the past 10 years, Thailand and China have joined hands in their advance. The relations between the two countries have developed rapidly and have constantly borne fruit. This indicates that friendship between us has firm foundations and shows good prospects. He stated that our future relations will further develop, particularly in the economic field. The two countries will continue to cooperate with each other on the basis of mutual benefit.

Regarding the Cambodian question, Foreign Minister Sitthi Sawetsila pointed out that the Cambodian question remains the most important problem facing Southeast Asia. But, through 6 years of contact, we become greatly aware of the ways that can settle the Cambodian question. He said that this problem can only be solved through peaceful, political means. It can be settled only by the Cambodian people themselves. The military settlement that Vietnam is imposing on the Cambodian people at present, as in the past, will always be useless. The Vietnamese themselves should know that. They may win some battles, but in the end they will lose in this war. Talking about the role of the ASEAN countries, Sitthi Sawetsila stated that the achievements made by ASEAN in the past few years are considerable. In the political field, ASEAN has reached its maturity. The world at present recognized that ASEAN is an oasis of peace and stability in Southeast Asia. In the economic field, ASEAN has a great potential. It is the most rapidly developing region in the world, and its role has been diversified.

PRC COMMENT CRITICAL OF SRV ROLE IN CAMBODIA

SRV Offensive 'Gained Nothing'

HK230506 Beijing RENMIN RIBAO in Chinese 19 Feb 85 p 6

[Article by Xiao Ling: "What Have the Vietnamese Aggressors Gained?"]

[Text] The aggressor Vietnamese troops in Cambodia recently assembled four divisions with 30,000 soldiers and, with the support of 60 tanks, launched a fierce attack on the Democratic Kampuchean base in the Phnum Malai mountains.

They attempted to wipe out the effective strength of the Democratic Kampuchean forces, achieve international influence, and divide and demoralize Coalition Government of Democratic Kampuchea (CGDK) in order to extricate themselves from the difficult position in the Cambodian theater of war.

On 15 February, the Vietnamese troops used their utmost strength to capture the Democratic Kampuchean camps in Phnom Thmei in the Phnom Malai mountains. It appeared that Vietnam had gained something, but in reality, Vietnam had gained nothing at all. Nor had it attained the expected goal. The Vietnamese troops only paid heavily for a piece of empty land. The Democratic Kampuchean forces and their logistics base had evacuated and moved away in a planned way to preserve their strength. When the Vietnamese troops entered Phnom Thmei, they gained nothing, but suffered heavy casualties because of the land mines.

Although the Vietnamese troops have temporarily occupied some places in the Phnom Malai mountains, this is not of much military significance and will not turn the tide of the entire Cambodian war. The situation will continue to develop in favor of the Cambodian people. The main Democratic Kampuchean forces have long moved deep into the hinterland and have consolidated their position in areas around Tonle Sap. They are extensively unfolding guerrilla activities. During the current dry season, the Democratic Kampuchean forces have reached places 30 kilometers from Phnom Penh and are seriously threatening the Vietnamese bogus regime in the weakly-defended rear.

Even in the Phnom Malai mountains, the Vietnamese troops are not free from worry. The Democratic Kampuchean forces have divided themselves in small guerrilla detachments. They are continuously attacking the enemies and are splitting up, encircling, and cutting off their logistics supply lines. Therefore, the Vietnamese troops cannot hold on for a long time. The rainy season will come in 2 months and their logistics supply will become even more difficult. If the Vietnamese troops are to tenaciously defend the base in the border area, they will certainly be wearing a millstone around their neck and will be passive and vulnerable to attacks.

Politically, Vietnam has not been able to carry out its scheme to split the three parties of the CGDK which have become more united than ever before. In the beginning of February, Samdech Sinhanouk convened and presided over a cabinet meeting. The joint communique issued at the meeting shows full confidence in the situation of the Cambodian theater of war and has expressed firm determination for united fighting against Vietnam until final victory. The three parties have unanimously expressed the necessity of further strengthening military cooperation and coordinating their actions in the future. Vietnam thought that the capture of the Phnom Malai mountains would damage the prestige of the CGDK and reduce international support for it. However, on the contrary, Vietnam's dry season offensive has exposed its hypocrisy so that the international community can see more clearly that Vietnam is maintaining its stand of solving the Cambodian issue by military means and has no sincerity for a political solution. The CGDK will certainly win even more extensive international sympathy and support. The fact that the ASEAN foreign ministers conference has called on the international community to provide aid for the Coalition Government is clear proof of this.

In short, Vietnam will never succeed in subjugating the Cambodian people by force. Likewise, it will not succeed in getting rid of Democratic Kampuchea by political and diplomatic schemes. The only way to settle the Cambodian issue is for Vietnam to withdraw all its troops from Cambodia according to resolutions adopted at several UN General Assembly sessions and let the Cambodian people solve their own problems. Only in this way will Vietnam be able to extricate itself from the ever-worsening difficult position.

Commodity Shortages Seen

HK230636 Beijing RENMIN RIBAO in Chinese 19 Feb 85 p 6

["International Jottings" by You Jun: "Putting the Blame on the People"]

[Text] A recent editorial by Vietnam's QUAN DOI NHAN DAN said that in Vietnam, the free market "controls a considerable amount" of commodities, "prices are unstable," and "unlawful businessmen" have colluded with "reactionaries" to disrupt the market. Therefore, market management "has become a very important task." The editorial asked the Vietnamese Army to take part in work in this area and "help socialist commerce to occupy the market."

Vietnam was originally not a developed country. After so many years of war, the shortage of commodities had become very serious. When the war to resist the Americans was over, those who were in power in Hanoi did not think of developing the economy, but were bent on making a show of their strength. They have energetically carried out expansion and aggression and have thrown all their limited wealth into the bottomless pit of aggressive wars.

How can the state have sufficient commodities to put into the market for consumers? In order to eke out a living, the Vietnamese people cannot but sell in the free market the small amount of goods they manage to obtain and then buy back at high prices consumer goods they need.

Today, Vietnamese society is a one in which nearly everybody is involved in trade, because this is the only way for them to survive. The Vietnamese authorities have identified thousands upon thousands of common people as "unlawful businessmen," "reactionaries," and so on. This is only a move to cover up their mistakes and to put the blame on the people.

SRV Faces Dilemma

HK230400 Beijing CHINA DAILY in English 20 Feb 85 p 4

[By staff writer Zhang Huimin]

[Text] Vietnam's apparent success in its dry season offensive in Kampuchea is really a hollow victory. It has lost more than it has gained. Although it has attained all of its military objectives, a comprehensive analysis shows that Vietnam has, in fact, been weakened substantially by its actions. The present aggressive posture is only another indication of the dilemma the country is facing and of its desire to extricate itself from it.

The dry season offensive started in the middle of November last year before the end of the rainy season. With a force superior in numbers and backed by artillery and tanks, the Vietnamese first attacked and seized camps controlled by the Khmer People's National Liberation Front. Starting in January, the Vietnamese launched attacks on the Phnom Malai area controlled by the Democratic Kampuchean National Army. According to latest news reports, Vietnamese forces have overrun the whole area, and the defenders have evacuated after inflicting heavy casualties on the invaders.

Six years have passed since the Vietnamese first invaded Kampuchea, overthrew its legitimate government and installed the Heng Samrin puppet regime. But Vietnam has failed to completely conquer and subdue the Khmer nation. The ruthless colonization and systematic plunder of Kampuchea have antagonized and embittered the Kampuchean people. A ruler who obeys a foreign overlord is never popular with his people, and in the eyes of the Kampucheans, Heng Samrin is just another quisling.

Moreover, the prolonged military occupation of Kampuchea has been a disastrous drain on Vietnam's financial and manpower resources and has aggravated its domestic problems. The Vietnamese authorities have themselves admitted that 1984 was Vietnam's worst ever year economically.

Vietnam's military presence in Kampuchea has aroused disapproval and condemnation from all quarters of the world. One hundred and 10 UN member-states in 1984 -- five more than in 1983 -- called for Vietnam to withdraw from Kampuchea. Vietnam's closest neighbours-- the ASEAN countries -- are the most vehement in their opposition to Vietnamese aggression in Kampuchea. Vietnam has utterly isolated itself from the international community.

The Kampuchean resistance, far from being wiped out, has grown stronger year after year. Since the Coalition Government of Democratic Kampuchea was set up in 1982, co-operation between the three partners has strengthened. Many Kampucheans, unable to endure the harsh domination under Vietnam, has sought the protection of the Sihanouk-led Coalition Government, and large numbers of Heng Samrin puppet troops have also defected because they would not longer endure the arrogance of their Vietnamese "advisers".

Ever since they began the invasion, the Vietnamese have stressed the "irreversibility" of the situation in Kampuchea. But the tide is steadily turning against them, and at an accelerated rate. They are afraid that Kampuchea may slip out of their hands unless they take more adventurous measures. Hence, this year's early and exceptionally fierce dry season offensive.

The seizure of the camps of the resistance forces -- including Ampil in December and Phnom Malai last week -- does not represent a defeat for the Khmer People's National Liberation Front or the Democratic Kampuchean National Army. The effective strength of both these armed forces has remained "intact", according to foreign agency reports. Thai Supreme Commander General Athit Kamlang-ek has said: "The loss of territory did not mean defeat in guerrilla terms."

In the last two years, the Democratic Kampuchean National Army has sent guerrilla units into the country's heartland. They ambushed small Vietnamese detachments, disrupted communication lines, burned the enemy's installations and destroyed offices of the puppet regime, whose work it is to tax and pressgang the local people. All these actions greatly boost the morale of the Kampucheans fighting against the hated Vietnamese.

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The Vietnamese Vice Minister of Defence Le Duc Anh recently admitted in their Army newspaper that the guerrillas.... "pour in forces and weapons for...sabotage activities, seizing land, controlling the population, building counterrevolutionary forces..."

According to news reports, guerrilla units of the National Army have recently attacked such cities as Battambang, Siem Reap and Kompong Thon, and are also active close to Phnom Penh, the Kampuchean capital. The fall of the camps along the western border of Kampuchea has not disheartened the resistance, but has brought the war into a new phase of intensified guerrilla action in the interior.

While the Vietnamese exult over their "victory", they must be aware that the territory they have just occupied will be very difficult to garrison, and their stretched supply lines will be dangerously open to attacks from the guerrillas, especially during the rainy season.

The Vietnamese have also been trying to split the resistance coalition through political trickery. When UN Secretary General Perez de Cuellar visited Hanoi he was told that "everything would be negotiable if the Khmer Rouge is removed," and that "Sihanouk and Son Sann can contact Heng Samrin for reconciliation talks." Sihanouk, who subsequently learned about this obdurate Vietnamese position, has sternly rejected the proposal as a scheme to sow dissension in the coalition. He has declared that he would continue to co-operate with the Khmer Rouge, and praised the National Army.

Vietnam's aggressive and brutal military action has exposed the hypocrisy of its stated hope for a political solution, and shows that Vietnam has no intention of withdrawing from Kampuchea. This attitude can only serve to dissolve any sympathy that was left for Vietnam as a young war-torn nation; the European Economic Community has decided to end its aid to Vietnam this year "in view of the occupation of Kampuchea."

In a face of Vietnamese attacks, the ASEAN countries are determined to increase their support for the resistance coalition. At a foreign ministers' meeting last week, the ASEAN countries denounced Vietnam, saying its "actions contradict its professions for a negotiated solution." At the same time, they commended the resilience of the Kampuchean guerrillas in the wake of "another massive military onslaught." They called upon the international community to give direct military aid to the guerrillas.

Although Vietnam has paid dearly for the camps it seized, now devoid of strategic value, there is still no sign that it has recognized its setback. Whatever military actions and political tricks Vietnam tries, its occupation of another nation cannot endure, and the situation in Kampuchea is bound to change sooner or later.

Vietnam Not Stronger Force

OW241550 Beijing XINHUA Domestic Service in Chinese 1138 GMT 24 Feb 85

["Commentary" by XINHUA reporter Huang Yuan: "Who Is Really Stronger?" -- XINHUA headline]

[Text] Beijing, 24 Feb (XINHUA) -- After the Vietnamese troops invading Cambodia seized a few camps of the Democratic Kampuchean forces, the Vietnamese authorities vigorously publicized their so-called "battlefield achievements" and "important victories" to confuse international public opinion.

During the current dry season military offensive, the Vietnamese troops invading Cambodia have mobilized a large number of forces to seize a number of camps of the Democratic Kampuchean resistance forces. However, the entire process of fighting also explains that the Vietnamese aggressor troops are fierce in appearance but much feebler than before in reality and that the whole situation of the war in Cambodia continues to develop in the direction favorable to the Democratic Kampuchean resistance forces.

First, the Vietnamese authorities have mobilized a large number, tens of thousands of troops, and dispatched airplanes, tanks, and artillery -- the number of troops and amount of weapons deployed greatly exceeding those of the previous six dry season offensives -- but have only occupied a few empty camps in the 3-month offensive. Compared with the momentum of their large-scale "blitzkrieg" against Cambodia toward the end of 1978, when they seized whole urban areas and most rural areas of Cambodia within a month, the Vietnamese authorities' strength has gone from bad to worse.

Second, although the Vietnamese troops are greater in number and possess better equipment and weapons, they have paid dearly in the current concentrated attacks on the Democratic Kampuchean camps. According to Thai military intelligence sources, during the Vietnamese troops' 3-day general offensive against Phnum Malai, the National Army of Democratic Kampuchea killed and wounded about 1,000 Vietnamese troops while suffering only some 200 casualties.

Third, when the Vietnamese troops launched the "blitzkrieg" against Cambodia 6 years ago, the Democratic Kampuchean resistance forces suffered serious setbacks and were forced to retreat to the jungles. During the current offensive, however, the Democratic Kampuchean resistance forces calmly made a strategic retreat and, aside from the portion of the forces that stay on to continue to carry out a guerrilla war, most of the resistance forces have moved, with weapons, food, and munitions, to the interior areas of Cambodia to carry out a guerrilla war.

Hanoi's "important victories" in taking a few empty camps are superficial phenomena and its declining strength is real.

Six years ago after the military occupation of Cambodia, the Vietnamese authorities were complacent in believing that they could rely on their powerful military strength to "solve the Cambodian question" in 3 months, realize the hegemonic design of an "Indochinese confederation," and open up a "brilliant period for development" of hegemony in Southeast Asia. However, facts over the past 6 years show that Vietnam has not only failed to achieve the "brilliant development" but fell into an abyss. The Cambodian resistance, under the support and assistance of the Cambodian people and the international community, have continuously expanded their strength and moved from the jungles in the border areas to the interior areas. Especially the National Army of Democratic Kampuchea, which entered the peripheral areas of the Tonle Sap during the last dry season, has frequently raided a series of cities and towns, including the capitals of Battambang, Siem Reap, and Kompong Thom Provinces, and the Vietnamese troops' logistic supply bases, thereby throwing the Vietnamese troops invading Cambodia in an even more passive position.

The Cambodian people in the enemy-occupied areas have crossed over to the resistance forces in succession and many military and political personnel of the Phnom Penh regime have also defected to the resistance forces, enabling the anti-Vietnamese forces to quickly expand their strength.

It is precisely under such circumstances that the resistance forces in the border areas were able to smoothly make the latest strategic retreat to the interior areas and further deepen the anti-Vietnamese struggle in the interior.

In this unjust war, the Vietnamese authorities are not only caught in the quagmire of the battlefield in Cambodia, but also are despised and opposed by the Vietnamese people because the war has exhausted the financial resources and impoverished the people. They have also been condemned everywhere in the international community and isolated at the 39th UN General Assembly.

Since time immemorial, the victory or defeat in war depends not on the gains or losses of a city or place but on the nature of war and the will of the people. An aggressive war launched by aggressors is unjust and no matter how strong they are momentarily, their unjust war will not have the people's support and will reduce their strength and end up in defeat. War against aggression waged by the invaded people is a just war and will always receive great support, building up their strength to become strong, and ultimately achieve victory.

History has proved that, although the United States was much stronger than Vietnam during the Vietnamese people's struggle against U.S. aggression years ago, the Vietnamese people who struggled for national liberation really were the stronger. The United States was finally compelled to withdraw troops from Vietnam. Invading Cambodia today, the Vietnamese authorities are precisely in the same position as the United States years ago. The real stronger one is not the Vietnamese aggressors but the Cambodian people who struggle for the right of national survival.

DKNA TAKES TOLL ON SRV FORCES; CURFEW IMPOSED

SRV Troops Suffer Losses

OW231003 Beijing XINHUA in English 0641 GMT 23 Feb 85

[Text] Beijing, February 23 (XINHUA) -- Democratic Kampuchean National Army [DKNA] units and guerrillas killed and wounded about 200 Vietnamese soldiers in seven provinces in mid-February, destroying some vehicles and liberating 23 villages, according to a radio Democratic Kampuchea report.

On February 13, National Army units launched an attack on the Vietnamese office of Kok Khsach District, Battambang Province, liberating 12 villages. On February 14, the Kampuchean resistance forces attacked two Vietnamese transportation vehicles in the same province, killing 35 soldiers and burning all the transported materials.

On February 14 to 15, National Army units and guerrillas cut off the railway from Phnom Penh to Battambang Province in 38 sections in Mong County, Kompong Chhnang Province. On February 15, guerrillas ambushed Vietnamese troops in Leach County, Pursat Province, killing 30 enemy soldiers and wounding another 42.

Between February 10 and 16, resistance forces attacked the Vietnamese strongholds in the districts of Rumchek, Srang, and Lovea of the counties of Memot and Prey Chhor in Kompong Cham Province, liberating 11 villages, killing or wounding some Vietnamese soldiers, capturing a number of weapons, destroying seven military camps and a bridge.

On February 17, National Army units destroyed two Vietnamese tanks in the western part of Battambang province, killing six enemies and wounding another 8. On the same day, a Vietnamese convoy was ambushed near Leach by National Army units. Eleven vehicles were destroyed and 16 Vietnamese troops killed or wounded.

On February 19, the resistance forces ambushed a Vietnamese battalion in the northern part of Koh Kong Province, killing 21 enemy soldiers and wounding 40 and capturing a number of weapons.

DKNA Launches Two Raids

OW240726 Beijing XINHUA in English 0642 GMT 24 Feb 85

[Text] Beijing, February 24 (XINHUA) -- The Democratic Kampuchean National Army [DKNA] killed or wounded more than 100 Vietnamese troops in two separate raids in inner parts of Kampuchea recently, Radio Democratic Kampuchea reported today. On February 19, the National Army in a four-pronged attack on Lamphat, capital city of Ratanakiri Province in northeastern Kampuchea, raided the airfield and military supply depots and destroyed the Vietnamese administrative office in the city. The National Army killed 40 Vietnamese troops in the 40-minute fighting and destroyed 110 weapons, three military trucks, two supply depots and some 20 barracks.

On February 16, the National Army raided the district town of Dam Ber in Kompong Cham Province. 41 Vietnamese troops were killed and 37 others wounded in the raid which lasted 30 minutes. 160 weapons, four radio transmitters, three motor engines, two trucks, 32 barracks and two ammunition depots were destroyed and a 60-mm mortar and 48 other weapons were captured. Some 70 local villagers detained by the Vietnamese were freed, the radio said.

Curfew in Several Cities

OW241016 Beijing XINHUA in English 0907 GMT 24 Feb 85

[Text] Bangkok, February 24 (XINHUA) -- The Vietnamese-installed Heng Samrin regime has imposed curfew on several Kampuchean cities including Phnom Penh because of the intensified military activities by the Kampuchean resistance forces, a senior Thai security official disclosed yesterday. Secretary-General of the National Security Council Prasong Sunsiiri was quoted by today's BANGKOK POST as saying that this indicated that the Vietnamese offensives along the Thai-Kampuchean border had failed to reduce the strength of the Kampuchean resistance forces.

Instead, he said, resistance fighters dispersed into small groups operating deeper inside Kampuchea and carrying out sabotage against Vietnamese military installations and cutting their supply lines. He also disclosed that some international relief organizations inside Kampuchea, feeling the situation in Kampuchea had become more unsafe for relief workers, had asked Thailand for landing rights in case they need to quickly evacuate their staff members.

THAI ARMY HEAD VISITS TROOPS ON CAMBODIAN BORDER

Hard Battle Fought

OW230805 Beijing XINHUA in English 0736 GMT 23 Feb 85

[Text] Bangkok, February 23 (XINHUA) -- Supreme Commander of the Thai Armed Forces Athit Kamlang-ek yesterday visited the Army units who fought a hard battle against the Vietnamese intruders in Ban Kruat of Buriram Province in northeastern Thailand on February 16 and 17, according to a local press report today.

General Athit was told by commander of the 23rd Infantry Regiment Colonel Rewat Bunthap that at about 5 a.m. on February 16, Vietnamese gunners fired about 1,000 rounds of artillery, mortar and rocket within an hour on Thai troops entrenched on Mount 472, a strategic hill adjacent to Kampuchea. After the barrage, the colonel recalled, some 500 Vietnamese troops advanced on the Thai soldiers who were given blanket fire support from gunners. The Vietnamese advance was halted at about 9 a.m. An hour later, the Vietnamese, supported by artillery fire, attacked the fortified hill again only to be repulsed. More attacks followed and the fighting continued until the night of the following day when the Vietnamese invaders finally pulled back.

Five Thai soldiers were killed and about 20 others injured in the two-day fierce battle. Vietnamese casualties were said to be substantial, according to the colonel. "It is beyond any questions that the Vietnamese intentionally violated our sovereignty. But the morale of our men is high and they are ready to meet the challenge," said General Athit after hearing the report.

SRV Seeks Direct Confrontation

OW241030 Beijing XINHUA in English 0902 GMT 24 Feb 85

[Text] Bangkok, February 24 (XINHUA) -- General Athit Kamlang-ek, supreme commander of the Thai Armed Forces, yesterday called on Thai frontier troops to be more prepared and alert because Vietnam is seeking a confrontation with Thailand. Athit made the call during an inspecting tour of the border zone near Aranyaprathet, a border town in the eastern Thai province of Prachinburi adjacent to Kampuchea's Battambang Province.

He inspected the Vietnamese weapons and military equipment seized by Thai border guards in the recent fighting against the Vietnamese incursion into Ban Kruat District of Buriram Province.

Speaking at the eastern task force headquarters, the general revealed that seven Vietnamese infantry divisions had been deployed along the Kampuchean-Thai border, in a bid to launch new offensive against the Kampuchean resistance forces. He pointed out that the Vietnamese were confronting Thai forces. "If there is any threat from Vietnamese forces near the Thai border, we must regard it as a direct confrontation" he declared. He said that he had ordered the Second Army to build bunkers in border villages in Surin, Buriram and Ubon Ratchathani Provinces bordering Kampuchea.

According to a report reaching here from Aranyaprathet, Thai border security troops were on full alert yesterday in Prachinburi Province. The report quoted commander of the eastern task force Major General Sant Sriphen as saying that Vietnamese troops would occupy the border bases of the Kampuchean resistance for about two months and then be replaced by Heng Samrin troops. It also said that 85 Vietnamese soldiers had surrendered to the Thai eastern task force since the Vietnamese launched the current dry-season offensive last mid-November.

PRC SIGNS TRAINING AGREEMENTS WITH AUSTRALIA

HK230408 Beijing CHINA DAILY in English 20 Feb 85 p 2

[Text] China and Australia have agreed on details of three training programmes covering export packaging, auditing and control and use of chemicals in agriculture.

Agreements covering the three projects were signed in Beijing yesterday, the Australian Information Service reported. The projects will all be carried out under the Programme of Technical Co-operation for Development between China and Australia. Australia will contribute more than 1.5 million Australian dollars (\$1.15 million) towards the training of more than 370 people under the three projects and the purchase of back-up equipment and publications. China's contribution will total more than 1.7 million yuan (\$0.60 million). The expost packaging programme will initially concentrate on improving packaging of fibreboard.

As well as providing a series of general and advanced level training courses in China and Australia for 66 export package designers, assistance will be given with facilities for a quality control and test laboratory in Beijing. Six senior Chinese officials will also look at Australian packaging and distribution systems during a two-week study tour. The auditing project -- the second carried out under the technical co-operation programme -- provides for training in these phases. Fifteen teachers from institutes of finance and economics will receive one year's training in Australia to help them develop courses in auditing, accounting, public finance and economics on their return to China.

Two Australian experts will visit China to conduct training programme for 210 Chinese auditors on efficiency audits in industrial enterprises, transportation and capital construction, and commercial enterprises. Five Chinese auditors will spend one year in Australia gaining experience in conducting efficiency and other audits under the guidance of Australian Audit Office staff. The Agrochemicals Project is aimed at strengthening the Institute for the Control of Agrochemicals in Beijing.

A programme of institutional development, which will include advice and lecturing by Australian experts and training for more than 70 scientific and technical personnel, will be carried out in Australia and China. Areas to be covered include pesticide analyses, pesticide application research and practice and the regulatory aspects of pesticides.

HONG KONG, MACAO RESIDENTS ATTEND FESTIVAL

OW231633 Beijing XINHUA in English 1621 GMT 23 Feb 85

[Text] Guangzhou, February 23 (XINHUA) -- More than 940,000 people from Hong Kong and Macao have come to spend the Spring Festival in Guangdong, provincial authorities disclosed here today. The number of people entering Guangdong between February 10 and 22 was 34 percent more than that of the corresponding period of last year. On the other hand, 420,000 people departed to join their relatives in these two places for the festival, 82 percent more than in the same period of 1984.

Transport departments of Shenzhen, Zhuhai and other ports improved bus and taxi services to move the travellers. Local officials attribute the sharp increases of travellers during the festival period to the improving political and economic situation in China as a result of the intensified implementation of the open policy and the economic reform. The signing of the Sino-British agreement on Hong Kong has also contributed to the stability and prosperity of the Hong Kong-Macao area, the officials say.

USSR 'SLANDER' ON AFGHANISTAN DRAWS CRITICISM

HK230218 Beijing RENMIN RIBAO in Chinese 21 Feb 85 p 3

[Commentator's article: "Who Is Intervening in Afghanistan?"]

[Text] Recently, the Soviet Union has, on the one hand, stepped up in Afghanistan its military encirclement and suppression of the Afghan freedom fighters, while, on the other, it has used the Karmal regime to launch unbridled attacks on China, slander China by saying China is "stepping up its intervention in Afghanistan," and fabricate the absurd rumor that China is training and arming "Afghan terrorists." It is really the height of tragedy that the Soviet authorities confuse black and white and stand the facts on their heads in this fashion in order to whitewash their own crime of aggression.

The Afghan problem is the result of armed intervention launched by the Soviet Union against an independent, sovereign, and nonaligned Third World country. This is the iron-clad fact that has long been acknowledged by the whole world. It was precisely the Soviet Union that sent troops into Afghanistan at the end of 1979 and used bayonets to set up a puppet regime there. In the past 5 years, 100,000 Soviet aggressor troops in that country have carried out large-scale massacres, killing several hundred thousand innocent Afghan people and forcing millions of others to flee abroad as refugees. Doesn't this mean that it is the Soviet Union that is interfering in Afghanistan's internal affairs? The Soviet Union slanders China by saying it is "interfering" in Afghanistan, but does China have a single soldier in that country? It is absolutely futile for the Soviet Union to seek to erase the facts of its intervention in Afghanistan by slandering China for "intervening."

It is not strange that the Soviet Union has unbridled slander against China on Afghanistan at this time. It is more than 5 years since the Soviet Union invaded Afghanistan, and the effort has cost it over 20,000 casualties and large amounts of materiel, yet it is still not possible to see an end to the war. The Soviet Union has fallen deep into the Afghan quagmire. More and more Soviet people are asking: Why should their sons have to perish in the lofty mountains of the Hindu Kush? When will this senseless sacrifice end? The Soviet authorities seek to use anti-China slander as an answer to the Soviet people, but can they be deceived by that? Will they be satisfied?

Internationally, the Soviet Union has fallen into extreme isolation due to its invasion of Afghanistan and has been denounced by peace-loving countries and peoples throughout the world who uphold justice. The Soviet Union is now attempting to slander China in order to divert world attention and improve its predicament, as if it were China and not the Soviet Union which stands in the way of a peaceful settlement of the Afghan issue. But who will believe such mythical propaganda?

The international community has long pointed out that the key to a peaceful settlement of the Afghan issue is the unconditional and complete withdrawal of Soviet troops from Afghanistan and allowing the Afghan people to solve their own problems themselves. The five UN General Assembly sessions since 1980 have all passed resolutions demanding that the Soviet Union pull its troops out of Afghanistan immediately and unconditionally. This is the sole way to resolve the Afghan issue. But the Soviet Union, making all kinds of pretexts, has obstinately refused to pull out its troops, with the result that the Afghan issue has still not been fairly settled.

To preserve world peace, the Chinese people have all along supported the just struggle of people of all countries for national independence and sovereignty and have opposed hegemonism, aggression, and expansion. This is also our position on the Afghan issue. Afghanistan is a neighbor of China, and Soviet aggression against Afghanistan threatens China's security. The Chinese people resolutely support the Afghan people's struggle against aggression. As long as the aggressors remain in Afghanistan, the Chinese people will not cease to support and assist the Afghan people. No lies, slander, or vilification can change our position.

XINHUA ANALYZES PAKISTANI GENERAL ELECTIONS

OW240748 Beijing XINHUA in English 0720 GMT 24 Feb 85

["News Analysis: Pakistan Holds General Elections in Peace and Order (by Zhang Zhinian)" -- XINHUA headline]

[Text] Islamabad, February 24 (XINHUA) -- The 1,098 candidates for Pakistan's National Assembly rounded up Saturday night five weeks' campaigning, thus paving the way for Monday's national polling.

The elections, the first since General Ziaul Haq came to power in July 1977 and imposed martial law in this country, are featured by peace and order. A government spokesman Saturday described the campaigning as "disciplined, peaceful and orderly," saying, "there was no serious violence or clashes as sometimes experienced in the past."

All election activities are proceeding precisely in accordance with the principles and procedures outlined in the "August 12 political plan" announced by President Ziaul Haq in 1983.

According to the plan, the president fixed, in a television speech at the beginning of this year, the dates of the elections to national and provincial assemblies on February 25 and 28. Local elections were completed in October 1983.

The plan also envisages a transfer of power to the elected representatives of the people on March 23, 1985, when members of the elected National Assembly and the Senate meet in a joint session.

To seek a direct mandate from the people, the general elections are preceded by a national referendum on December 19 last year, which, according to an official spokesman, was unprecedented in the country's history. During the referendum, the majority of voters supported the August 12 plan and Islamic policies of the government. Their affirmative votes also legitimized the continuance of President Zia in office for further five years. Zia thus will be sworn in as the elected president when the National Assembly and the Senate meet on March 23.

The elections are being held under a partyless system as all political parties are defunct under martial law and processions and public meetings are banned. However, martial law, according to President Zia, will be relaxed step by step at the end of the elections.

Despite the fact that the "Movement for Restoration of Democracy (MRD)," an 11-party alliance with the People's Party as its mainstay, decided to boycott the elections, mass media here reported that 363 of the 1,098 candidates are affiliated to 19 political parties.

Among the candidates with party affiliations, 157, or over 40 percent of the candidates, are to the People's Party. This proved futile the MRD's call for boycotting the

Although the temporary detention of more than 300 people, including party leaders, created some difficulty for the elections, a peaceful atmosphere coupled with vigorous campaigning has prevailed in various parts of the country.

Pakistan seems to be holding its elections in a way to fulfill the wish, expressed by President Zia at a press conference, that his government "wants to set a precedent of holding the elections in a normal way without any disturbance of peace and tranquility."

SRI LANKAN MINISTER OPENS PRC EXPORT EXHIBIT

OW161700 Beijing XINHUA in English 1517 GMT 16 Feb 85

[Text] Colombo, February 16 (XINHUA) -- A Chinese export commodities exhibition was inaugurated here this afternoon by Sri Lankan trade and shipping minister. The exhibition is the third of its kind in the country and will last for 17 days. The exhibits will be sold upon the end of it.

Commodities on display include industrial and agricultural machinery, household electric apparatus, light industrial products, textile, artware and handicraft, foodstuffs and medical products. The volume of trade between China and Sri Lanka was over 53 million U.S. dollars in 1983. Chinese commercial sources here disclosed that this volume increased further last year.

Since the signing of the rice and rubber pact between the two countries in 1952, China has been exporting about 200,000 tons of rice to and importing 40,000 to 50,000 tons of rubber from Sri Lanka annually. Sri Lanka also imports Chinese textile, agricultural products, machinery, bicycles, paper and other products and exports to China coconut oil, medicine, jewelry and tea. Both Sri Lankan and Chinese sources believed that there are broad prospects for trade and cooperation between the two countries.

COAL MINISTRY PRESENTS POLISH INSTITUTE BANNER

OW210849 Beijing XINHUA Domestic Service in Chinese 1221 GMT 19 Feb 85

[By reporter Wen Youren]

[Text] Warsaw, 19 Feb (XINHUA) -- China's Ministry of Coal Industry entrusted the Chinese Embassy in Poland today to present a banner to the Polish Mining Academy in Katowice, the coal city of Poland, expressing thanks for its contributions to training directors for China's coal mines.

Presented by all the students of the China coal mine directors training class, on the banner were embroidered the words:

"Outstanding teachers and good friends, thanks for your meticulous training."
(Wakowi), director of the Technology Development Department of the Polish Ministry of Mining and Energy, (Mawochevskiy), president of the Polish Mining Academy, and (Poriziori), former president of the Polish Mining Academy, attended today's banner presentation ceremony.

The China coal mine directors' training class was sponsored by the Polish Mining Academy in Katowice from June to November, 1984. Altogether, two classes were run, with each class lasting two months.

A total of 39 coal mine directors, deputy directors and chief engineers from China's Datong, Kailuan, Pingdingshan, Hegang, and Xuzhou coal mines attended the training classes. It is the first time since the liberation of China for so many coal mine leaders to receive training abroad.

Poland's hard coal output ranks fourth in the world, and is ranked first in per capita output. Poland is among the world's front ranks in coal mining technology, management level, and production safety.

China's Ministry of Coal Industry sends coal mine leaders to study in Poland in order to accelerate China's coal industry development and improve modern coal mine management.

In the course of training, the Polish side gave warm and friendly receptions to the Chinese comrades and assigned experienced leading cadres and scientists to give lectures and pass on their experience.

RENMIN RIBAO: BECOME RICH WITH ARDUOUS EFFORTS

HK230634 Beijing RENMIN RIBAO in Chinese 22 Feb 85 p 1

[Commentator's article: "One Cannot Get Fat From Eating One Mouthful"]

[Text] What is the purpose of reforming the economic structure? It is to develop the productive forces and enable the state to become powerful and the people rich. This requires a process of arduous effort by everybody working in concert. It is not possible "to get fat from eating one mouthful" and for everybody to wake up one morning as "10,000-yuan households."

Recent propaganda on the great successes of rural reforms is absolutely correct. However, the excessive propaganda on "10,000-yuan households" in the rural areas has apparently given urban residents the mistaken idea that as a result of the rural reforms all the peasants have become rich and most have become "10,000-yuan households." They infer from this that with urban reforms now underway, it should be the turn of the urban staff and workers to become "10,000-yuan households." Many people compare their salaries with the rural "10,000-yuan households" and with certain individual urban entrepreneurs with high incomes, and the more they compare, the more they feel that their own income is low, and the more they hope to immediately become people with a "high income" amid the reforms that have just started. The comrades affected by such an idea regard certain current reforms as "Wu Song feeling unsatisfied with drinking beer."

Such an idea is not realistic. China is a large country with a poor foundation. In order to catch up with the living standard and labor productivity of the economically developed countries, we must make arduous efforts for several decades or longer. The rural reforms carried out first have attracted worldwide attention. We solved the long-standing problems of feeding and clothing the 800 million peasants, and the peasants of many localities have gradually become well off. However, compared with several hundred million peasant households, the "10,000-yuan households" are only a few drops in the ocean, and we are still far from reaching our goal.

The living standard of the people in urban areas has also improved markedly in recent years. Could most of the urban inhabitants have dreamed of purchasing household electric appliances like a television and so on before the 3d Plenary Session of the 11th CPC Central Committee? We are now rapidly increasing the production of these products and they will be gradually popularized in the households of urban inhabitants. The party and government have done their utmost to improve the people's lives. Such a move, which is rooted in long years of indebtedness, is absolutely necessary. We hold that the people's consumption level should correspond with labor productivity. At present the economic results of many enterprises are not good enough and their labor productivity is not high enough. If high salaries and bonuses exceeding the level of production development are paid out, then people will appear to become "rich" for a time, but the consequence can be none other than loss of control over consumption funds, market shortages, and big price fluctuations. Those who have temporarily risen to the status of "people with high incomes" will be dragged down by "high prices." In addition, the difficulties in future reforms and economic development will be increased. We cannot follow this way of reaping calamity while in pursuit of a hollow title.

Hard work and rousing ourselves for vigorous efforts to make the country prosperous are the fine tradition of our nation. We must lay a solid foundation for making the country powerful and the people rich, which has been the long-cherished aspiration of generations of Chinese people. The historical cause of overthrowing the "three big mountains" was great and unprecedented. The current task of building the four modernizations is greater and more arduous.

We must work hard in a steady and sound way for several decades to create and contribute more for society and seek a big improvement in living standards on the basis of a great development in production.

COMMENTATOR PRAISES 'CHILD OXEN' FOR NEW YEAR

HK230748 Beijing RENMIN RIBAO in Chinese 20 Feb 85 p 1

[Commentator's article: "Be 'Child Oxen' Benefitting the Land"]

[Text] Today is the first day of the lunar year. On this occasion, we wish our readers a happy new year!

According to the lunar calendar, this is the Year of the Ox. Indomitable and never sparing of energy, an ox works steadily and makes solid progress. This is the first year in which China is carrying out the all-round reform of the economic structure and everyone is working hard and forging ahead, which shows that this year is more significant than any of the past ox years.

Oxen are good friends of mankind. They are deeply cherished and respected for their contributions made to the production and life of mankind. Since ancient times, many men of letters have vividly portrayed and praised the ox. Many thinkers and artists have regarded themselves as oxen to express their feelings and aspirations. In his prose "Ox," a writer of the Tang Dynasty, Liu Zongyuan, praised the ox for working hard in tilling and reaping all its life without being fed with grain. Even after its death, its skin and bones are used to benefit the people. Li Gang, a noted general of the Song Dynasty who was against the Jin Dynasty, wrote a poem titled "The Ill Ox" which said: "An ox tills thousands of mu of land and carries thousands of carts of goods, but who cares about its hard work and illness? To feed the people well, it is willing to work until sunset despite hardships." The two famous figures praised the spirit of sacrifice of the ox. However, both of them sighed for the ox for "not seeking any benefits for itself." Compared with Liu and Li, Lu Xun's maxim, "Head bowed, like a willing ox I serve the children," indicated a loftier realm of thought. Lu Xun made great contributions to society and seldom sought any personal benefits. This maxim expressed his own conditions as well as his expectations for later generations. With the practice of thousands upon thousands of communists, the spirit of "child oxen" has illuminated the whole country and nurtured several generations of young people.

Some comrades have recently praised the spirit of the "reclaiming oxen" but spread rumors about "child oxen." To implement the policy of opening to the outside world and enlivening the domestic economy, we must emancipate our minds, forge ahead in reforms, boldly blaze new trails, strive to create a new situation, and become "reclaiming oxen." As a matter of fact, it is no easy job to carry out reforms and create a new situation. Can we do a good job in this respect without the spirit of "child oxen" and honestly bending ourselves to work?

Some comrades hold that "child oxen" docilely follow rules and are "conservative," which does not conform to the demands of the times. This is not correct. It is true that we should blaze new trails in reform, but it does not mean that we should break rules. With regard to the all-round reform of the economic structure, the slogan put forward by the CPC Central Committee is to "be careful at the initial stage and be sure to win the final campaign." To attain this strategic principle, we must seek unity of thoughts and actions on all major issues regarding the overall situation. Only by enhancing discipline and strictly enforcing orders can we ensure the smooth progress of the reforms.

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On the occasion of the Year of the Ox, we hope that comrades of the whole party, the leading cadres in particular, will always bear in mind the party's fundamental purpose, work for the prosperity of the motherland and people, and consciously be "child oxen" benefitting the land.

GU MU ON ORDER FOR OPENING CHINA TO WORLD

HK250336 Beijing ZHONGGUO XINWEN SHE in Chinese 0926 GMT 24 Feb 85

[Report: "Gu Mu on Expansion of China's Three 'Golden Triangles' in Opening Up to the World" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 22 Feb (ZHONGGUO XINWEN SHE) -- China's three "golden triangles" (jin san jiao 6855 0005 6037) -- the Chiang Jiang Delta, the Zhu Jiang Delta, and the triangle in southern Fujian with Xiamen, Zhangzhou, and Quanzhou as its vertices, will be opened to the world in this order: "First the small areas, and then larger areas; first the smaller triangle, and then the larger triangles; and then fan out from points to areas." This is State Councillor Gu Mu's latest explanation of how the three newly developed coastal open economic zones will be opened to the world.

Gu Mu's further explanation of the "points" and "areas" is as follows: The points are the urban areas of 11 cities, namely Suzhou, Wuxi, Changzhou, Changshu, Xiaxing, Huzhou, Quanzhou, Zhangzhou, Foshan, Jiangmen, and Zhongshan, the seats of several dozen key counties that are developing exports, and those approved key industrial satellite towns. The areas include the cities and counties to be opened to the world, their rural areas, those agricultural projects built with foreign capital and imported technologies and aimed at developing exports, the bases for the production of agricultural products, and primary agricultural products processing plants.

Issue No 8 of LIAOWANG weekly, which will come off press tomorrow, carries an article entitled "A New Situation in China's Opening Up to the World." The article recalls the forum on the Chiang Jiang Delta, the Zhu Jiang Delta, and the triangle in Southern Fujian with Xiamen, Zhangzhou, and Quanzhou as its vertices held by the State Council from 25 to 31 January. The article reveals that at the conclusion of the forum, Premier Zhao Ziyang delivered a speech in which he stated that China's four modernizations rely first on the reforms, and second on opening to the world. The reforms cannot be separated from the policy of opening the country to the world. Opening the country to the world is a reform, and can even be said to be an extremely important reform. To reform is to transform the "closed" economy of the past into an "open" economy and to change from closing various parts of the country to the world.

The order prescribed by the strategy for China's social and economic development proposed at the forum is as follows: The special economic zones, the open coastal cities, the open coastal economic zones, and the interior. In this way development will spread from the coastal areas to the interior in a gradual wave-after-wave manner. This will give impetus to the country's economic revitalization and takeoff.

OFFICIAL SPEAKS ON OVERSEAS CHINESE AFFAIRS WORK

HK221430 Beijing ZHONGGUO XINWEN SHE in Chinese 1232 GMT 19 Feb 85

[Text] Beijing, 19 Feb (ZHONGGUO XINWEN SHE) -- Liao Hui, director of the Overseas Chinese Affairs Office of the State Council, delivered a broadcast Spring Festival speech at the Chinese International Broadcasting Station this evening. The full text of the speech is as follows:

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Dear overseas compatriots: The traditional festival of the Chinese nation, the Spring Festival, has come. On behalf of the Overseas Chinese Office of the PRC State Council, I would like to express lunar new year greetings to Chinese compatriots residing all over the world!

In the past year, our country has made achievements in every field and they have attracted worldwide attention. Our country's policy of opening to the outside world and enlivening the domestic economy is firm and unshakable and it will not change. Since 1979, our country's national economy has grown steadily and the speed of such growth has been rare in any other country of the world. The problem of a serious imbalance in the national economy has basically been solved and we have gradually embarked on the road to health and harmonious development. In 1984, the agriculture, heavy industry, light industry, national revenues, and financial revenues of our country increased simultaneously. An unprecedentedly favorable situation has appeared in which the growth rate of financial revenues exceeds that of industry and agriculture. Four major inspiring things, which have greatly enhanced our country's prestige, are particularly noteworthy: First, Chinese athletes won 15 gold medals in the 23d Olympics held in Los Angeles and this has greatly inspired the nation. Second, a grand military review and mass parade, which had not been held for 25 years, was again held on the 35th anniversary of the founding of our country and this demonstrated the stability and unity of the political situation and the ever growing strength of our country's economy and national defense. Third, the decision on reforming the economic system adopted at the 3d Plenary Session of the 12th CPC Central Committee has provided a blueprint for the building of socialism with Chinese characteristics. Fourth, through talks, our government and the British Government have officially signed a joint declaration on the Hong Kong issue that has satisfactorily solved the Hong Kong issue by means of the concept of "one country, two systems." We may say that the current political and economic situation in our country is the best since the founding of our country. Overseas compatriots feel elated and exultant. Overseas compatriots have done meritorious service to and made indelible contributions to the achievements of the motherland. Our government and our people will never forget this.

In the past year, we have also made certain achievements in work of Overseas Chinese affairs. In April last year, General Secretary Hu Yaobang made an important speech on the work of Overseas Chinese affairs. He stressed that the whole party must attach importance to the work of Overseas Chinese affairs and encouraged cadres in charge of Overseas Chinese affairs to strive to do a good job in their work in a series and stubborn spirit.

With much attention and concern from the CPC and the Chinese Government, relatively great progress has been made in the work of implementing various policies for Overseas Chinese affairs. I am pleased to inform everybody that with the efforts of various quarters last year, all Overseas Chinese houses that had been occupied by other people during the "Great Cultural Revolution" were basically returned to their owners. Recently, the government also decided to return the private houses of Overseas Chinese in towns and the countryside that were confiscated or requisitioned during the land reform to their Overseas Chinese owners and to rescind the transformation of the houses of Overseas Chinese that were wrongly transformed during the socialist transformation of private houses. Regarding returned Overseas Chinese and family members of Overseas Chinese who wish to go abroad on private affairs, public security departments will take measures to further relax restrictions and simplify procedures for examining and approving applications so that more returned Overseas Chinese and family members of Overseas Chinese will have a chance to see their relatives and friends abroad. To provide greater convenience for Overseas Chinese who come back to visit their relatives, to visit places, or to do business, their entry visas can be directly processed at entry ports. Since last year, the price of airplane tickets for Overseas Chinese traveling in China are the same as those for residents of China. The implementation of various policies for Overseas Chinese affairs remains one of our important tasks. We will be able to inform and comfort our broad masses of overseas compatriots with new progress in this respect next Spring Festival.

The work of Overseas Chinese affairs touches the hearts of millions of overseas compatriots. For the almost 1 year since I took office as the director of the Overseas Chinese Affairs Office of the State Council, although I have done a little work with the support and encouragement of Chinese compatriots residing abroad and together with the broad masses of Overseas Chinese affairs workers at home, what I have done is a far cry from the demands of the Chinese compatriots residing abroad due to my lack of knowledge and experience. I am determined to serve overseas compatriots and to do my utmost to benefit them. I sincerely hope that overseas compatriots will more often criticize and supervise my work.

Last year, I had the chance to visit Japan, Burma, and Thailand. There I was very pleased to see with my own eyes how Chinese compatriots abided by the law, respected the habits and customs, lived harmoniously with local people, and made their undertakings flourish in their respective countries of residence. I hope that our overseas compatriots will continue to do what they can to contribute to developing friendly relations and to expand with each passing day economic, scientific, technological, cultural, and arts exchanges between their countries of residence and the motherland and our people.

The Spring Festival is a festival for relatives to come together and is a festival full of joy and hope. The great undertaking of the motherland's reunification and of putting an end at an early date to the situation of the man-made split between Taiwan and the motherland's mainland is the common desire of all Chinese people, including Taiwan compatriots and Chinese compatriots residing abroad. We have proposed that the Taiwan issue be settled through talks between the KMT and the CPC and by means of "one country, two systems." I believe that, enthusiastically pushed forward by overseas compatriots residing abroad, the great undertaking of the motherland's reunification will certainly be realized.

Finally, I wish overseas compatriots happiness in the spring, good health, happiness at home, achievements in work, and all their hearts' desires!

WAN LI, BO YIBO SPEAK AT TEACHERS MEETING

OW240224 Beijing XINHUA Domestic Service in Chinese 1629 GMT 23 Feb 85

[By reporter Yang Jianye]

[Text] Beijing, 23 Feb (XINHUA) -- The Propaganda Department of the CPC Central Committee, the Ministry of Education, the Ministry of Labor and Personnel, the Beijing Municipal People's Government, the Educational Workers Trade Union of China, and the CYL Central Committee held a joint get-together for teachers this evening at the Great Hall of the People in the capital. Some 25,000 advanced workers, model workers, well-known professors, teachers of special grades, model class advisers and representatives of teachers and education administrators from various universities, middle schools, primary schools, kindergartens, schools for technicians, and various departments for adult education in the capital were invited to gather together joyfully to take part in various activities.

At the get-together, Wan Li and other party and state leaders met with 100 representatives of teachers in the capital and delivered speeches.

At 1900, when party and state leaders Wan Li, Fang Yi, Yao Yilin, Deng Liqun, Hu Qili, Hao Jianxiu, Bo Yibo, Wang Heshou, Zhou Gucheng, Yan Jici and Li Peng, Vice Chairmen of the National CPPCC Committee Zhou Peiyuan, Fei Xiaotong, and Mao Yisheng arrived in the Great Hall, the representatives of teachers waiting in the hall greeted them with warm applause.

On behalf of the party Central Committee and the State Council, Wan Li, first of all, extended his festival greetings to the teacher representatives and through them to all the teachers throughout the country.

Wan Li said: I respect you and want to thank you. The teachers' diligent work must be respected all over the country, Wan Li emphatically pointed out: Whether our nation can be invigorated and become prosperous and catch up with the most advanced countries in the world in the next century will depend on education to a large extent. Now the whole party and the people all over country are calling for efforts to raise our educational qualities and educational levels. All this needs your joint efforts, as well as those of all the teachers in the country.

Bo Yibo, who just came back from south China to Beijing, said: Today's get-together for the teachers is the first of its kind since the founding of the nation. This fully manifests the great importance attached to education and the respect for people's teachers shown by the party and the state. For this, I feel extremely happy. He pointed out: We understand that to raise productivity and make the country strong and prosperous and the people rich, we must rely on knowledge to a large extent. In the next 10 or 20 years, nations will compete fiercely with one another for knowledge and technology. We must rely on competent people in order to win victories in such a competition. But, knowledge and competent people can only be obtained through education. Therefore, to promote and further improve education is a major and important issue.

In conclusion, Bo Yibo sincerely hoped that all teachers will work hard to train a new generation of talented people.

Also present at the get-together were responsible persons of various departments concerned Jiang Nanxiang, He Dongchang, Zhao Shouyi, Li Ximing, Zeng Delin, Luo Gan, and Hu Jintao. After the meeting, Wan Li and other party and state leaders, together with the teachers, watched the fine performances of the literary and art workers in the capital.

BO YIBO DISCUSSES VISIT TO GUANGDONG 23-27 JAN

HK190953 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 18 Feb 85

[Text] According to NANFANG RIBAO, from 23 to 27 January, Bo Yibo, vice chairman of the CPC Central Advisory Commission, visited Guangzhou, Shenzhen, Foshan and Nanhai County. He inspected factories, enterprises, hotels, tourist spots, specialized rural villages, and specialized rural households.

After visiting these places, he said: Since the 3d Plenary Session of the 11th CPC Central Committee, both the urban and rural situation of Guangdong have very good. Various undertakings have developed rapidly. This situation is an exciting one.

In particular, he stressed: After making such achievements, we must under no circumstances become complacent. Instead, we must be sober-minded. We have only started our reforms and open-door policy, and many tasks have yet to be handled. Therefore, our burden is heavy and the road is long. We must further seek a common understanding, sum up our experience, and constantly make progress.

Comrade Bo Yibo repeatedly said: The line, principles, and policies formulated by the party since the 3d Plenary Session of the 11th CPC Central Committee will not be changed. This is because they are the road which the people have chosen by themselves. Therefore, the people will continue to take it.

Comrade Bo Yibo said: We must maintain and develop the currently good situation, create a new situation in various tasks, and do well the work in the following aspects. First, we must unswervingly do well in the reforms and open-door policy. Second, we must grasp firmly and well the party rectification. In particular, we must resolutely deal with and check the new malpractices.

ZHANG TINGFA LAUDS AWARDS TO MEDICAL RESEARCHERS

OW220815 Beijing XINHUA Domestic Service in Chinese 0027 GMT 22 Feb 85

[By reporter Li Ciying]

[Text] Beijing, 22 Feb (XINHUA) -- With the help of a leading comrade of the Air Force, three intellectuals of the Air Force General Hospital who had scored remarkable achievements in doing medical research work were given handsome rewards on the eve of the Spring Festival. Air Force Commander Zhang Tingfa said in this connection. "In units where the influence of 'leftist' ideas is deep-rooted, it is difficult to implement the policy of giving handsome rewards to intellectuals who have made outstanding achievements and whip up their enthusiasm if the leadership at the higher level does not help implement such a policy."

When Zhang Tingfa inspected the Air Force General Hospital in January this year, he found that the policy on intellectuals was not implemented well in the hospital. Highly competent intellectuals who scored remarkable achievements were not put in important positions and rewarded. For example, Li Shiming, deputy director of the No 6 department of internal medicine, made a breakthrough in treating diabetic gangrene of the extremities. However, his research work was not given recognition by the department concerned in the hospital. He was even criticized by some people. In view of this situation, Zhang Tingfa solemnly pointed out to the leading persons in the hospital: The influence of "leftist" ideas is doing mischief in all this. He asked them to come forward to support those who had made inventions and to earnestly implement the party's policy on intellectuals. Zhang Tingfa also instructed the Air Force Department to carefully examine the achievements of these three medical workers. Later, after hearing a briefing by several medical workers of the Air Force General Hospital who were well known for their achievements, the Standing Committee of the Air Force party committee reaffirmed the achievements of these comrades.

Recently, the Air Force party committee approved the promotion of Li Shiming; Yao Dejia, a pharmacologist who developed a new medicine, "gancaoxin"; and Hexianzheng, a doctor and deputy director of a department who scored new achievements in orthopedics, to higher professional or administrative grades.

HU QIAOMU AT WOMEN'S VOLLEYBALL STATUE CEREMONY

OW231057 Beijing XINHUA Domestic Service in Chinese 0759 GMT 23 Feb 85

[By reporters Cai Qinghe and Qu Beilin]

[Excerpt] Zhangzhou, 23 Feb (XINHUA) -- A ceremony for laying the foundation stone of a statue commemorating the "three consecutive world championships" won by the Chinese women's volleyball team was held at the Zhangzhou physical cultural training base in Fujian Province this morning. At the same time, a 5-day get-together of volleyball enthusiasts formally began in Zhangzhou. Present at the foundation-laying ceremony were Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; Yuan Weimin, vice minister of the State Physical Culture and Sports Commission; and the responsible persons of the departments concerned of Fujian Province, Longxi Prefecture, and Zhangzhou City.

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CHINA
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Attends Wedding

OW230539 Beijing XINHUA Domestic Service in Chinese 0217 GMT 23 Feb 85

[By reporters Cai Qinghe, Qu Beilin]

[Excerpts] Zhangzhou, 23 Feb (XINHUA) -- Zhou Xiaolan, a former member of the Chinese women's volleyball team, and Hou Xiaofei, a former member of the Chinese men's volleyball team, were married at a ceremony at the Zhangzhou Hotel near Zhangzhou's sports training base yesterday.

Hu Qiaomu, a member of the Political Bureau of the CPC Central Committee, who was on an inspection tour in Zhangzhou, attended their wedding. He congratulated the newly married couple, and wished them love and devotion to each other in working for the common cause.

Vice Minister of the State Physical Culture and Sports Commission Yuan Weimin, who previously served as the coach of the Chinese women's volleyball team, was the chief witness at the wedding. He said that it was the first wedding ceremony of a woman volleyball player he had attended. He expressed pleasure at seeing them getting married and starting a new career, and wished them greater success in their work.

SEYPIDIN VISITS SHANGHAI FLOWER EXHIBITION

OW230503 Shanghai City Service in Mandarin 0100 GMT 23 Feb 85

[Text] According to a station report, Seypidin, vice chairman of the NPC Standing Committee, and his wife, who happened to be in Shanghai, came to the city's Botanic Gardens on the morning of 22 February to see a flower arrangement exhibition being held there. He warmly praised the some 60 flower arrangements by various Floral Specialists. Vice Chairman Seypidin also went to the Peony Garden, and had a picture taken in front of the orchid, which he had planted several years ago.

RAILWAYS MINISTER URGES END TO UNHEALTHY TRENDS

OW212328 Beijing Domestic Service in Mandarin 1200 GMT 19 Feb 85

[Text] Addressing a telephone conference of railway departments yesterday. Minister of Railways Chen Puru stressed that unhealthy tendencies of indiscriminately issuing bonuses, in cash or kind, must be resolutely curbed; that cadres and staff members are strictly forbidden to engage in commercial undertakings; and that all types of service companies must be liquidated and consolidated.

Chen Puru pointed out: The situation in national railway transportation is gratifying, thanks to reform, opening our country to the outside world, and enlivening the domestic economy. However, certain fresh problems have cropped up under the new situation. He urged all units to earnestly examine, and truthfully report, the various types of bonuses, subsidies, and gifts issued last year; resolutely stop the irregularities of seeking personal gain from the use of railway wagons and train tickets; and immediately close down the kind of service companies that sell space in railway wagons and train tickets in the name of serving passenger and cargo transportation.

Chen Puru stressed: Lower-level units are strictly forbidden from giving presents, foodstuffs or cash to higher-level organs or individuals. Basic-level units are strictly forbidden from accepting any type of cash or gift from their clients. Cadres at all levels must be honest in performing their official duties, and consciously work to resist, and combat, the newly emerging unhealthy tendencies.

ZHEJIANG AUTHORITIES STOP PUBLIC SQUANDERING

OW242315 Beijing XINHUA Domestic Service in Chinese 0730 GMT 24 Feb 85

[Beijing XINHUA Domestic Service in Chinese at 0749 GMT on 24 February carries a "public notice" relaying a message by the General Office of the Central Commission for Guiding Party Rectification: "All newspapers please give front page, prominent coverage to the article on the Hangzhou City party committee cracking a case involving squandering public funds on excessive entertainment, as well as the note by the Central Commission for Guiding Party Rectification which was transmitted today"]

[Text] Beijing, 24 Feb (XINHUA) -- Note by the General Office of the Central Commission for Guiding Party Rectification: Some localities, departments, and units are now in the habit of spending public funds on entertaining and sending gifts. This unhealthy practice deserves our attention. An incident, in which public funds were lavished on entertainment, which recently happened in the Shangcheng District of Hangzhou City, is an example. Extravagance at the state's expense has always been forbidden by our party discipline. This unhealthy practice, if unchecked, will result in the wastage of a large amount of state and collective funds, damage to the party's prestige, and the ruin of some party members and cadres. Party organizations at all levels should take effective measures to resolutely and swiftly, curb this unhealthy practice. Leading cadres, who are party members, should set an example in this regard. Those who spend public funds and property on entertainment and sending gifts, as well as those who accept gifts and take bribes, should be severely punished. [end note]

Disregarding the central authorities' instructions, some leading cadres in Shangcheng District, Hangzhou City, Zhejiang Province, spent public funds on lavish feasts when conducting business negotiations with a unit from another area. They have caused much waste, disrupted the efforts to carry out reforms and invigorate the economy, and produced an adverse social effect. The Hangzhou City CPC Committee has meted out proper punishment for this incident.

Shen Chuyun (female), deputy secretary of the Shangcheng District party committee, Hangzhou City, led a group to a machinery company in another area last year to discuss the possibility of jointly setting up an industrial company. They were given a cordial reception, which Shen Chuyun pledged to reciprocate when her hosts came to Hangzhou for further discussions. In December 1984, an 8-member delegation from that company arrived in Hangzhou. Shen Chuyun and a deputy head of the district personally attended to the guests, who boarded and lodged at high-class guesthouses. Shen Chuyun checked in to a luxurious room, which cost 60 yuan a day, and which her guests had refused to take up. The daily meal allowance for each person totaled 10 yuan during the 5 days of negotiations. After the contract-signing ceremony, a 9-table lunch was given, and each guest was presented with an imitation-leather bag and a photo album. Shen Chuyun even brought her husband, son, and nephew to the feast. Some people even took their nursemaids there for "an eye-opening experience." The entertainment costs during these 5 days are said to top 13,000 yuan.

After this incident Li Dexin, member of the Standing Committee of the Zhejiang Provincial CPC Committee and secretary of the Hangzhou City party committee, clearly stated: The efforts by Hangzhou City to form a joint venture with fraternal plants in other areas is good for invigorating the economy. Such economic activities, which serve to strengthen mutual ties and promote each other's progress, should be encouraged in the future. However, while carrying out such activities, some leading cadres in Shangcheng District have severely violated discipline by squandering state funds on excessive entertaining.

They have benefited themselves at the state's expense. These impermissible activities, which seriously violated discipline, should be sternly dealt with.

Acting on the Hangzhou City party committee's instructions, the city Discipline Inspection Commission and the Shangcheng District Discipline Inspection Commission have investigated the case. The city party committee has taken the following measures: Shen Chuyun was ordered to make a thorough self-examination. Depending on her approach to making this self-examination, strict punishment will be meted out in accordance with the regulations specified in relevant documents of the central authorities. Personnel of the city involved in the negotiations should pay for their meals, and family members of cadres and other irrelevant people should pay for their meals and lodgings, as well as return all gifts received in the course of the negotiations.

YOUTH NEWSPAPER EDITORIAL ON ROUSING ENTHUSIASM

HK230834 Beijing RENMIN RIBAO in Chinese 17 Feb 85 p 1

[Report: "ZHONGGUO QINGNIAN BAO Issues the Slogan: Make the Motherland Strong and the People Rich"]

[Text] On 16 February, ZHONGGUO QINGNIAN BAO issued an editorial entitled "Our Slogan Is To Make Our Motherland Strong and Our People Rich." The full text of the editorial is as follows:

Since the 3d Plenary Session of the 11th CPC Central Committee, our party's policies as a whole can be summarized into one point: make our motherland strong and our people rich. The fact that our party's policies are unprecedentedly popular and are successful in practice shows that to make the motherland strong and the people rich is currently the most powerful slogan to arouse the political enthusiasm and creative initiative of the broad masses of people, including the young generation.

To make the motherland strong and to make the people rich are two inseparable parts of our general objective. The people's wealth must rely on the growing strength of the country. Without the continuous development of the productive forces of the whole society and the steady increase in material wealth, the people will not be able to enjoy a better-off life. No one can imagine that the majority of the people in a poor country are able to lead a well-off life. Of course, the prosperity and strength of a country should eventually be reflected in the wealth of the people. Unless the people's livelihood is steadily improved on the basis of production development, it is not possible to fully mobilize the broad masses to struggle on a prolonged basis for the prosperity of the country. Therefore, it is completely wrong to think that the wealth of the people can be separated from the prosperity of the motherland, to regard the wealth of the people merely as individuals leading a better-off life at the moment, to put forth unrealistically high requirements for consumer goods and living conditions, and even to seek selfish gains for individuals or small groups of people at the expense of the interest of the state under the guise of reform and without regard to the overall and long-term interests of the whole nation.

Ours is a large country with a population of 1 billion people. For some historical reasons, the labor productivity and the level of science and technology of our country lag far behind those of the developed countries. It is a formidable task to make our motherland strong and prosperous and to make our people better-off on such a backward foundation. It is necessary to encourage the vast number of cadres and ordinary people, particularly those of the younger generation, to devote themselves to the goal of making the motherland strong and prosperous and to make the people rich.

In the past we had an incorrect understanding of the devoted spirit, setting it against the reasonable desire for a better-off livelihood and thinking that the devoted spirit should find expression in ascetic practices, including simple food and ragged clothes, without any interest in better food and clothing. Now it is obvious that the living standards in Shenzhen are higher than in other parts of the country, but we should see that the people and youths in Shenzhen have been working hard in what was previously a wasteland and have achieved record high productivity and construction speed in the development of the special economic zone. How can one say that they do not have a devoted spirit? By stressing the devoted spirit, we mean that we should work hard and study diligently in our own posts, sparing no effort to struggle indomitably for the prosperity of the motherland and the wealth of the people. We need this devoted spirit at all times. In particular, our young people should carry forward this spirit. The opposite of this spirit is to flinch from difficulty and to back out when meeting with a setback, or to concentrate merely on seeking an easy and comfortable life through no hard work and even to try by all possible means to satisfy one's desire for unrealistically high consumption at the expense of the interests of the state and the people. Our youths should spurn these thoughts and deeds.

The prosperity of the motherland and the wealth of the people are the ideal that innumerable revolutionary martyrs, heroes, and all outstanding people have strived to realize and have even sacrificed themselves for. Today, as the socialist system has been established, especially with the shift of the focus of the party's work to the four modernizations, we have had the actual possibility of realizing this ideal. To quadruple the annual industrial and agricultural output value and to reform the economic structure represent the solid and concrete steps for turning the possibility into reality. Our young people should keep pace with the great times. We are fortunate and glorious to live in this great era. How can we fail to fulfill the important historical mission and to meet the requirements set by the times? If we fail to do so, how can we not let down the innumerable martyrs who have sacrificed their lives for the lofty ideal? Our answer can only be devoting ourselves to the reform and the four modernizations, struggling unceasingly to make progress and break new ground, and making our motherland strong and the people rich. This is always our slogan.

COMMENTARY ON EMANCIPATING MINDS IN REFORMS

HK230700 Beijing RENMIN RIBAO in Chinese 15 Feb 85 p 5

[Excerpts of SHIJIE JINGJI DAOBAO No 219 commentary: "Ushering In Another Spring of Emancipation of the Mind"]

[Text] China is in an era when it is undergoing a major reform and is going to take off. The goal of the reform and the direction it is taking is to build socialism with Chinese characteristics. Its goal is that we should become comparatively well-off as a first step, and then that we should rank among the developed countries in the world by the middle of the next century as a second step. This is the general target of the strategy of the economic and social development of China at present.

China is currently undergoing the first step. One of the important tasks in this first step is to conduct reforms. The 3d Plenary Session of the 12th CPC Central Committee has adopted the "Decision on Reform of the Economic Structure." The blueprint for an economic structural reform with Chinese characteristics has been displayed before people's eyes. What should follow is practice, a creative practice that is conducted in the manner of seeking truth from facts and in light of the reality in various areas and departments. In conducting this practice, we should continue to sum up and accumulate experiences and strive to turn what is conceived in the "decision" into reality.

In such a magnificent era, countless diverse new situations and problems will emerge.

This demands that people emancipate their minds from the fetters of the old concepts that have become outdated or were wrong originally. Regarding the series of questions about what is socialism and how we are to assimilate all the useful experiences of capitalism in the process of building socialism, there have been decadent ideas both in theory and practice that have become stereotyped, that have become force of habit, and that are even regarded as unalterable principles left by our ancestors. If we say that there is any resistance to the reform or that there is anything that makes us not resolute enough in the process of reform, it is these old concepts. Therefore, further emancipating our minds and breaking from the fetters of the old concepts has become an urgent task that is vital to the success or failure of the reform.

The practice of China's four modernizations and reforms is what neither Marx nor Lenin ever experienced. Of course, they could say nothing about it. Nor did Comrade Mao Zedong experience it. Moreover, quite a lot of the practice did not emerge until we overcame Comrade Mao Zedong's erroneous policy decision through bringing order out of chaos. For example, the idea of "one country, two systems" has been put forth in the light of today's reality. It is impossible for classic writers to put forth and describe such situations. A theory that disregards today's reality, that upholds faithfully acting in accordance with Marx, Lenin's and Comrade Mao Zedong's words without the least deviation, and that opposes, criticizes, and sets obstacles to anything that does not conform to these words cannot give guidance and stimulus to the practice and will hinder development of the four modernizations and reforms.

We should not fail to see the grim fact that there is still the influence of "leftist" ideology. "Leftist" thoughts occupied a dominant position for so many years that we should never be so childish as to think that as it has been 8 years since the "Great Cultural Revolution" ended and 6 years since the 3d Plenary Session of the 11th CPC Central Committee, and since the 3d Plenary Session of the 12th CPC Central Committee had adopted the "decision," the influence of "leftist" thought no longer exists. The ghost of "regarding class struggle as the key link" continues to haunt us and there continues to be an addiction to the practice of conducting "mass criticism." Has this kind of farce vanished in the past few years? If we fail to continue to eliminate the influence of "leftist" ideology, it will be hard for us to make any progress in our four modernizations and reform. Not only should our economic departments continue to eliminate the influence of "leftist" thoughts, but our theoretical propaganda, cultural, artistic, and other ideological departments should also make very great efforts to continue eliminating the influence of "leftist" ideology.

From a historical point of view, the emancipation of minds prepares the way for any major reform. This has been entirely true for the progress that China has made in the past few years. Around the 3d Plenary Session of the 11th CPC Central Committee, the discussion on practice being the only criterion of truth opened up a new historical period. At present, the emancipation of minds continues to develop and is pounding at the old concepts and "leftist" thoughts with tremendously great momentum and clearing way for implementation of the "decision." Some quick-minded people have already seen this irreversible trend and foresee that there will be a "second spring" of emancipation of the mind.

COMMENTATOR STRESSES PROMOTING WORKERS EDUCATION

HK220154 Beijing JINGJI RIBAO in Chinese 12 Feb 85 p 1

[Commentator's article: "Promote Education for Workers and Staff Members"]

[Text] A rational system for ensuring talented personnel in various age groups is important for establishing stable ranks of professional technical management personnel, substituting the new for the old, and giving an impetus to economic and technical progress. This is also where the "staying power" of enterprises lies for constant opening up and continuous development.

In some foreign countries, due to their normal population growth, the development of education, and their incorporation of talented personnel into various age groups, there are more talented personnel in the younger age groups. One group is replaced by another in proper order, and the force for technical development is getting stronger and stronger. This is an important reason why continuous technical progress in capitalist countries can be maintained despite repeated economic crises.

Things are different in our country, and the age distribution of our professional personnel is not so normal. According to a general survey made in Shanghai, among 548,000 people of the age group from 41 to 45, there are 93,000 people with professional skill, accounting for 16.98 percent of the total number of people in this group. Among 1.54 million people of the younger age group from 20 to 30, there are only 56,000 people with professional skill, accounting for 3.66 percent of the total number of people in this group. The number of people with professional skill in the second group is only one-fifth of the first group. The second group is a "deep valley" in the age distribution of qualified personnel. In other words, in another 10 years, by the mid to late 1990's, the present middle-aged intellectuals will become old, and the present young intellectuals will reach middle age. The "low valley" in the age distribution of specialists will occur precisely at the critical juncture of reinvigorating our economy. At that time we will severely lack key professional and technical personnel who are in the prime of life for blazing new trails. Our capability for technical development will be distinctly weakened. This is a serious problem that merits our attention. If we fail to take remedial measures right away, our economic reinvigoration will be adversely affected. This also harms our great undertaking of the four modernizations.

We can take two measures to cope with such a severe situation: First, speed up development of ordinary universities, colleges, and technical secondary schools so as to expand their enrollment capacity. Second, pay more attention to the training of staff and workers and tap intellectual resources among them. There is no doubt that the first measure is very important. However, it takes a long time to train young people into qualified personnel and it takes an even longer time to see them become backbone elements. Therefore, the first measure cannot completely solve the problem of the "deep valley" in the age distribution of qualified personnel. The most practical and effective way is to vigorously strengthen the training of staff and workers and to foster specialists among them. Young people between the ages of 20 and 40 account for more than 50 percent of the existing contingent of staff and workers. They are energetic and at the prime age of learning. With a fair educational background and sufficient work experience, they are pretty quick to absorb new knowledge. As long as we are determined to foster qualified personnel and can adopt effective measures, it will be completely possible for us to train up to a million specialists and up to 10 million medium and high-level technical workers over not too long a period. This will ease the shortage of a backbone force in the "deep valley range."

All industrialists and leaders of economic work of deep insight must fully recognize the great strategic significance of and further strengthen leadership over the education of staff and workers. In the current economic reform, a small number of enterprises have slackened their efforts in training of staff and workers while concentrating their attention on raising profits and bonuses. The leading people of some enterprises just do not want to begin training staff and workers, because they think that training which cannot be completed and produce effects in a short period will only benefit their successors rather than themselves. Some other enterprises place their hopes on allocation of qualified personnel by the state and recruiting of talented people from other places. All these practices are not in keeping with the spirit of the decision on reform of the economic structure adopted by the central authorities.

There are only 6 years to go from now to 1990. The time is limited and the tasks before us are arduous. Therefore, all units throughout the country must take prompt actions to step up the training of staff and workers.

RENMIN RIBAO DISCUSSES REFORM OF BANKING SYSTEM

HK230600 Beijing RENMIN RIBAO in Chinese 15 Feb 85 p 5

[Article by Tian Chunsheng and Wang Jiachun: "Establish a Controllable, Decentralized Banking System"]

[Text] The Reform of the Banking System Is Imminent

The gradual in-depth development of the reform of the economic structure with the focus on cities is exerting a great influence on the traditional concepts of banking and its management system and is prompting the banking system to speed up its reform. The urgency of the reform of the banking system lies mainly in the fact that with the enlivening of the domestic economy and the opening to the outside world, changes have taken place in regard to the distribution of the national income and the relationship between capital and funds. The proportion of the financial resources directly in the hands of the state decreases, while the proportion of the capital and funds distributed through the credit channels of banks increases.

At present, financial revenue increases by more than 10 billion yuan annually, the banks' capital and credit and loan funds increase by 40 to 50 billion yuan annually. In addition, the amount of foreign capital absorbed through banks is also increasing annually. This demonstrates that the banks' role in raising and distributing funds is increasing daily, and it is becoming more and more important to reform the banking system to make it compatible with the development of the economy.

Furthermore, since the economy has been enlivened, the contacts between central cities and their surrounding areas have become ever closer and the transformation and association of enterprises are gradually developing. Bringing into play the functions of central cities and the emergence of the new organizational forms in production has strengthened the horizontal economic links between different regions; it requires breaking through the old system of a separation of regions and departments and the vertical transfer of capital and funds, so that the horizontal flow of funds can be realized and the internal association and external expansion of capital and funds can be promoted.

In addition, with the expansion of the decisionmaking power of enterprises, the state must strengthen its macroscopic regulation through planned control as well as various economic levers, which means that apart from exercising control through pricing, taxation, and other means, the state will make greater use of the credit and loans lever to promote the coordinated development of the national economy. All this proves that in order to suit the needs of the economic reform in terms of capital flow and credit regulation, the reform of the banking system is imminent.

Strengthen the Role of the Central Bank in Realizing Macroscopic Regulation

In the past, under the situation of unified financial revenue and expenditure and the planned control of all the activities of the national economy, it was comparatively easy to detect and correct problems in the economy.

After the economy has been revitalized, the further development of bank credit will vigorously promote the growth of the economy. However, if planned guidance is not strengthened, it will possibly lead to some false phenomena in terms of construction and production, resulting in credit inflation and currency inflation or even economic imbalance. Very often, this situation is hard to detect in its early stages, but once it is exposed, it will affect the stability of the economy. To bring the active functions of bank credit in the national economy into full play and to prevent and reduce the passive functions strengthening the macroscopic regulation of the Central Bank is essential.

The macroscopic regulation of the Central Bank consists of two aspects: The first aspect is to strike a balance between the total amount of supply and the total amount of demand in terms of the funds used for credit and loans, and to control the issuance of currency. An overall balance must be realized in the revenue and expenditure of credit in terms of finance, materials, and foreign exchange, so that the consistency of the movement of materials and the movement of value in the national economy can be roughly maintained. Because the Central Bank is not directly engaged in the deposit and credit business and because there are differences among various specialized banks concerning their scope of business, deposit and credit target clients, and the criterion for doing business, comparatively great differences exist among different banks in the scope of their deposit and credit business and in their individual ability to attain equilibrium. This can be seen in the fact that the amount of credit is much greater than the amount of deposit for some specialized banks. Therefore, the Central Bank must strengthen control over the deposit and credit business of various specialized banks and must not permit them to follow their own course. It is necessary to use planned balance to inspect and supervise the execution of plans and use various kinds of economic levers to achieve a basic overall balance in terms of the revenue and expenditure of credit, loans, and finance in the country.

The currency of our country is issued through credit. As a result, the revenue and expenditure of credit and loans directly affect the issuance of the currency. The control of currency issuance by the Central Bank through the control of credit and loans issuance would play a very important role in stabilizing the economy, balancing the market and commodity prices, and safeguarding the people's livelihood.

The second aspect is the arrangement and guidance given to the orientation of the funds for credit and loans in accordance with the state's policies and the economic development plans. In line with the state's direction of readjusting the structure of enterprises and the product structure, the Central Bank should use a definite credit policy and the necessary economic means to encourage or restrict the development of certain trades and products so as to maintain a balance between the supply of commodities and the purchasing power of the currency, and to prevent the investment of currency in long-term trades or products which will have a negative impact on some materials in short supply.

During the period of the Seventh "5-Year Plan," the principle of our economic construction is to ensure the successful operation of the key projects, increase new items adequately, and attach major importance to the technological transformation, renovation, and expansion of the existing enterprises. It is necessary to accelerate the circulation of floating capital so as to reduce the amount of investment of floating capital and to correspondingly increase the investment of fixed assets. The credit facilities of banks should implement these important principles. Because of the fact that specialized banks are all economic entities with certain limitations in decisionmaking, the Central Bank must use credit policies and economic levers to give them guidance, so that the orientation of capital investment can be in line with the state's principle in carrying out construction.

Expand the Decisionmaking Power Over Operations of the Specialized Banks

The specialized banks deal directly with the enterprises and various construction items and provide them with capital and funds and financial services. In order to mobilize their initiative, the specialized banks should be granted the following rights within the scope of the set plans for credit and loans: They have the right to perform their own functions independently, adopt flexible and varied forms of operations, make use of the funds for credit and loans under their control, and regulate or float the interest rates within the limit specified by the Central Bank. The various decisionmaking rights of operations of the specialized banks are concentrated in their possession of certain decisionmaking powers in credit and loans.

With regard to the floating capital of enterprises and loans for capital construction and technological transformation, the relevant departments and enterprises may present their application for loans, but the banks will enjoy the independent decisionmaking rights in the granting of loans, the amount of loans, and the timing of loans. With regard to the mandatory capital construction and loans for large-scale technological transformation, the banks will have the right to take part in the decisionmaking process in line with the principle of the combination of responsibility, power, and interests. On the basis of items assessment, the banks may put forward negative proposals regarding those proposals which are predicted to have poor economic results. If the planning departments refuse to accept these negative proposals, the banks may grant loans as instructed, but they will not shoulder any economic responsibility in this respect. The economic losses can be compensated for through certain channels by the relevant departments.

The banks must shoulder certain responsibilities corresponding to their possession of certain decisionmaking power in their operations. With regard to all the loan proposals, the banks must carry out a conscientious assessment in terms of economics, technology, and financial matters in accordance with the state's economic policy and the plans for economic and technological development. The banks should give active support to those projects which conform to the needs of the national economy, hold out good prospects in terms of economic results, and can pay back the loans within the specified period of time. With regard to poor economic results or failure to repay the loans in full as scheduled due to perfunctory estimation and inspection on the part of the banks, the banks should undertake the responsibility to effect compensation.

Open Up the Channels for the Horizontal Circulation of Funds

With regard to the circulation and distribution of credit funds of the country's banks, a vertical method running from the upper levels to the lower levels has been consistently practiced. In the past, this method was in line with the highly centralized planning mode. The intensive development of the economic reform requires breaking the fetters of this mode so that capital and funds can be circulated between various regions. In accordance with the principle of integrating unification with flexibility in planning, and on the premise of fulfilling the deposit target set by the upper level bank authorities, the specialized banks at various levels may borrow or lend money between the associated banks, between different specialized banks within the same region, and between specialized banks in different regions, so that a coordinated relationship can be established to render assistance in terms of the transfer of funds.

For some large projects, different specialized banks can jointly provide loans, or they can organize a financial group to provide the loans. In addition, other forms such as compensation trade and investment through trust can be adopted to effect the circulation of funds between different localities, so as to conform to and promote the requirement of developing the horizontal economic association with the central cities as the main basis.

Reform the system of Interest Rates

The interest rate is an important lever for the banks to exercise macroscopic regulations on the national economy. Some readjustments have been made in recent years, but they are far from perfect. At present there are some problems in the interest rate system of our country. The first is the low level of interest rates. The proportion of interest expenditure in the cost of enterprises amounts to 1.11 percent and 1.35 percent respectively for industrial enterprises and commercial enterprises, which is inadequate for promoting or restraining economic development. The excessively low bank interest is not beneficial to the development of the banks.

The second is the low number of interest rate levels. For example, a unified interest rate (0.6 percent per month) is set for loans of enterprises' floating funds, irrespective of the loan period, what the loan is used for, or the conditions of operations, and it does not add to the flexible regulation of the complex economic activities.

The third is the existence of irrational levels of interest rates. At present, the lowest annual interest rate for loans for capital construction is only 2.4 percent and, allowing for some certain interest rate restrictions, the highest annual rate is only 4.2 percent. However, the interest rate for loans for renovation and transformation is higher than this.

For some specialized banks, the interest rate they obtain from their deposits in the Central Bank is lower than the interest rate they offer to the enterprises and individuals for absorbing their deposits or savings. In reforming the system of the interest rates of our country, on the one hand, the interest rates should be maintained at rational levels, and on the other hand, the levels of interest rates should be varied and rationalized so that the differential interest rates and floating interest rates can play the role of regulating the economy and promoting economic development. The utilization of the interest rate lever should coordinate with the utilization of other levers such as prices, taxation, and financial subsidies, so that mutual coordination and promotion can be achieved. It is not feasible for each "to play its own tune" without coordination.

DISTRIBUTION ACCORDING TO WORK, LAW OF VALUE

HK230932 Beijing GUANGMING RIBAO in Chinese 10 Feb 85 p 3

[Article by He Tianzhong: "Distribution According To Work and the Law of Value"]

[Text] The 3d Plenary Session of the 12th CPC Central Committee's "decision" points out that we should make use of the law of value in the development of socialist commodity economy and implement the salary distribution system based on the principle of distribution according to work. The question we need to discuss now is whether the law of value should be consciously applied to salary distribution or not.

I think that the principle of distribution according to work and the law of value are related to each other both in theory and in practice, and that the law of value also comes into play in salary distribution.

Marx once said that the principle of an exchange of commodities also applies to the distribution of products in the socialist society. Therefore, in the development of commodity economy, we should certainly not ignore the role of the law of value in salary distribution. To implement the principle of distribution according to work, we should center our work on "an equal exchange for an amount of work" and try our best to get rid of the difference in income caused by materials, resources, and other external factors. At the same time, we should also admit and consciously use the adjusting role of the law of value and purposely make the salaries higher or lower than the average for the necessary amount of work in certain areas and fields. Only by doing this can we bring into full play the role of distribution as an economic lever. The reasons are:

First, to enable the enterprises to really become relatively independent economic entities and become socialist commodity producers and operators that assume full responsibility for their own profits and losses, we should admit that enterprises have their own independent and basic material interests. Along with implementation of the state distribution system of two grades for distribution concerning the enterprises and workers, such material interests will surely be realized in the material and cultural life of the workers. If this is the case, then the incomes of the workers and the economic results of the enterprises will be directly related to each other, and how much income the workers can get will depend on the level of economic results the enterprises can achieve. At present, since we are taking profits as the main indicator of the economic results of an enterprise, we should directly link the total amount of salaries to the enterprises' economic results. But because the present prices run seriously counter to value, although the enterprises have raised their management standards and the social economic results have been greatly increased, the enterprises still suffer losses or gain very limited profits owing to the policies. Thus we have no way to increase the workers' salaries in accordance with the economic results. The CPC Central Committee's "Decision on Reform of the Economic Structure" says: "The various aspects of the reform of the economic structure, including planning and wage systems, depend to a large extent on the reform of the price system." This is absolutely correct, because if the prices are not reasonable, it is difficult to better realize an exchange of equal value for work and is difficult to eliminate the inequality in sharing profits and losses.

Second, the economic results of the enterprises are reflected not only by the value of the products, but also by the adjustment of relationship between supply and demand, because commodity exchange is conducted according to the average necessary amount of work recognized by the society. For example, if for the same kind of products, the same amount of work should be done and the same use value and exchange value achieved. But owing to the different opportunities and conditions and the changes in the market situation, the enterprises usually gain different amount of profits. Sometimes there may even be a great disparity in the profits of the enterprises. With particular regard to the planned economy, the mechanism of the law of value should be applied to mandatory planning and guidance planning. In many circumstances, in order to promote the production of the products in short supply and to ensure the minimum living needs of the workers, the state should purposely raise or lower the prices of some products. In this way the adjusting role of the law of value will surely affect the economic results of the enterprises and the workers' income as well. In so doing, the role of the law of value has permeated distribution according to work.

Third, under socialist conditions, although the labor force is not a commodity but a factor, we cannot mechanically say that market coordination and the competition caused by market coordination have not infiltrated the structure of distribution according to work. The socialism advocated by Marx is that under the circumstance where commodity currencies are abolished and the society distributes the labor force according to plans and proportions. In the past, in the distribution and use of the labor force, we adopted the administrative method of implementing unified distribution and the permanent employment of personnel. Practice has told us that this method is not beneficial to rationally using the qualified personnel and better bringing man's role into full play. This method will not work under the situation where various economic forms coexist in the society. At present we should try our best to reform the personnel system and the employment system and advocate an invitation system and contract system so as to promote the rational mobility of the qualified personnel. This will certainly create a situation where some of the units that badly need the qualified personnel in a certain field will enter the competition to invite qualified personnel by providing various forms of preferential treatment. This will certainly attract the personnel specialized in various fields in making a decision about where to go work according to material interests and work conditions. In this way, the change in the relations between supply and demand for qualified personnel will cause the difference in salaries, which is actually the effect of the law of value in the distribution of salaries.

In summation, the law of value is closely linked with distribution according to work. In the process of implementing the principle of distribution according to work, we should persist in "an equal exchange for an amount of work" and consciously apply the law of value. We should encourage the enterprises to increase labor productivity so as to increase the profits of the enterprises and the income of the workers and enable the enterprises and workers to really benefit from the reform of the management and operation of the enterprises. Only by so doing can we enable the whole country and whole people to become rich more quickly.

YOU TAIZHONG AT GUANGZHOU TWO-SUPPORTS MEETING

HK211351 Guangzhou NANFANG RIBAO in Chinese 12 Feb 85 p 1

[Report by Li Xiliang: "You Taizhong Attends Guangzhou Area 'Two Supports' Convention of Servicemen and People"]

[Text] Yesterday afternoon, a gathering on supporting the Army and the government, giving preferential treatment to families of servicemen, and cherishing the people was ceremoniously held in Guangzhou in the hall of the provincial government. More than 1,500 people and party, government, and Army leaders from the Guangzhou area attended the gathering.

Present at the gathering were: Li Jianzhan, member of the Central Advisory Commission, who happened to be in Guangzhou, and the responsible comrades of the Guangdong Provincial CPC Committee, the Provincial Advisory Committee, the Standing Committee of the provincial People's Congress, the provincial people's government, the provincial CPPCC, the Guangzhou City CPC Committee, and the Guangzhou City People's Government. They included Lin Ruo, Xie Fei, Wu Nansheng, Yang Yingbin, Du Ruizhi, Ling Botang, Song Zhiying, Zhang Mingyuan, Luo Tian, Chen Yueping, Zhong Ming, Yi Meihou, Zeng Zhaoke, Yang Li, Huang Kang, Xu Shijie, and Yu Yuanping.

Also present at the gathering were the responsible comrades of the Guangzhou Military District, the leadership organs of the military district, the Army, Navy, and Air Force units stationed in Guangzhou, the military academies, and the provincial military command and the old comrades who have withdrawn to the second line.

They included You Taizhong, Zhu Yuehua, Zhang Xudeng, Shan Yinzhang, Jiang Lindong, Xiao Yuanli, Lai Chunfeng, Lu Ruilin, Chen Jide, Chang Fengju, Yu Zhewu, Liu Feng, Li Xilin, Xiu Xianghui, Liu Zhimin, Yang Zhenhe, Zhang Juhui, Wang Jichang, Chen Minxuan, Zhao Zhong, Zhu Qin, Wang Huaixiang, and Xu Zhen.

Guangzhou Mayor Ye Xuanping officiated at the gathering. Vice Governor Yang Li and Director Chen Jide of the Political Department of the Guangzhou Military District spoke.

In his speech, Comrade Yang Li, on behalf of the Guangdong Provincial CPC Committee, the provincial people's government, the Guangzhou City CPC Committee, and the Guangzhou City People's Government, first extended holiday greetings to the commanders and fighters of the People's Armed Police Force and of the Army, Navy, and Air Force units stationed in the province. He pointed out: Over the past year, the Army, Navy, and Air Force units stationed in our province have carried forward our Army's glorious tradition and contributed much to strengthening military and political training, to guarding the border areas and the motherland's southern gate, and to supporting economic contributions. In addition, they have also contributed much to the joint Army-people drive to build a spiritual civilization, to upholding social order, and to organizing the training of the militia. The province's People's Armed Police Force has resolutely combatted criminals, upheld social order, and safeguarded the people's interests. He continued: In the new year, we should continue to give people traditional education which is characterized by support for the Army and love for the people and unremittingly develop the relations between the Army and the people and between the Army and the government in order to make progress in the "two supports" work.

In his speech, Comrade Chen Jide pointed out: Today, as we are creating a new situation in socialist modernization, the "two supports" work steadily develops side by side with the reform and innovations. In addition, the unity between the Army and the government and between the Army and the people is becoming increasingly solid. This will give greater and greater impetus to the great cause of the four modernizations. He suggested: The troops should, with a new attitude and an innovative spirit, make new progress in the work of supporting the government and cherishing the people and, in close cooperation with the people in Guangdong, contribute to Guangdong's economic takeoff, to protecting the motherland's southern gate, and to the fulfillment of the party's general goals and general tasks in the new period.

XINHUA STRESSES PLA'S ROLE IN CONSTRUCTION

OW201345 Beijing XINHUA Domestic Service in Chinese 0050 GMT 18 Feb 85

["XINHUA Commentator: There Are a Hundred Advantages, But No Disadvantages" -- XINHUA headline]

[Text] Beijing, 18 Feb (XINHUA) -- At a recent forum of the Military Commission, Comrade Deng Xiaoping set a new demand for the Army's participation in national economic construction and called on the whole Army to be subordinated to the overall situation of national construction by releasing more forces to support and take part in national construction. He stressed: "There are a hundred advantages, but no drawbacks in doing so."

In response to the call by the party Central Committee and the Central Military Commission, the PLA has entered a new stage in participating in the socialist construction. Practice has proven that there are great advantages in having the Army release more forces to support and take part in national construction. By taking part in national construction, the Army can directly produce wealth for the country. The economic work is the focus of the work of the whole party during the new period.

The Army's participation in national construction, which can accelerate the accomplishment of the gigantic goal of quadrupling the annual gross value of industrial and agricultural production, is an important matter having a bearing on our country's future and development. In recent years the Army has released a great deal of manpower and material resources to support and take part in a number of key national construction projects, and its contribution to the country and the people has won praises everywhere. Take, for instance, the Army's participation in the project of diverting the water of Luan He to Tianjin. With a profound sense of responsibility, the commanders and fighters undertook a most difficult and arduous engineering project and completed the construction quickly and with high quality, thereby saving a large amount of funds for the country and inducing the clear fine water from Luan He to Tianjin Municipality ahead of schedule. Many experts have praised the project as "an unprecedented undertaking in the history of irrigation construction in China." The PLA has dispatched nearly ten thousand commanders and fighters to the construction site of the Shengli oilfield's expansion project, building roads, harbor, and airport and laying communications lines. The completion of the project is of great importance for building the Shengli oilfield into the second Daqing.

With strict organization and discipline, competent personnel, fine traditions of defying hardships and daring to tackle difficult tasks, plus the required construction equipment and technical forces, the PLA possesses many favorable conditions for successfully carrying out key national construction projects. Bringing into full play the PLA role in key construction projects is of great significance for accelerating the national economic development. As Comrade Hu Yaobang pointed out during an inspection of the Army, "Our honorable PLA will become even more honorable if the Army, by cooperating with local people, can complete dozens of major construction projects by the end of this century."

In addition to dispatching manpower to support vigorously the national construction, the Army can, under normal conditions, release military facilities to support the national construction. Comrade Deng Xiaoping urged the Army -- the Air Force, the Navy, or the Commission for National Defense Science, Technology, and Industry -- to release more forces to support and take part in the national construction. Proceeding from the overall situation of construction, all PLA units have, on condition of not affecting Army building and military training, opened a number of military airfields, wharves, and special railways for local people, either allowing the local people to use the military facilities together with the Army or completely turning them over to the local people. By doing so under the current strains on transportation, the PLA has not only considerably raised the economic efficiency but also saved a vast amount of construction funds for the state, winning praise from the masses of people. Bearing in mind the overall situation of national construction, thousands of military industrial enterprises have actively developed the production of civilian goods directly related to the people's livelihood and accelerated the pace of transferring military industrial technology to civilian use. The military industrial enterprises' efforts to develop the national economy have directly produced wealth for the country.

The Army's support and participation in the national construction also benefits the PLA itself. From an overall view, the Army's participation in national construction is conducive to the modernization of the PLA. The level of the development of the national economy determines and conditions the development of the Army's weapons and equipment. The Army's vigorous support for the national construction and for early accomplishment of the goal of quadrupling the annual gross value of industrial and agricultural output can accelerate the national economic development. The increased economic strength will provide the strong material foundations for the modernization of national defense. The Army's participation in the national construction is conducive to the improvement of the quality of the PLA units.

By getting directly involved in local economic construction, the vast number of officers and soldiers have witnessed the excellent situation in economic reform and opening to the outside world and received a lively and penetrating ideological education, thereby raising the PLA units' political consciousness. By closely combining military training with participation in national construction, PLA units can learn the skills which they cannot learn under simulated conditions, experience new training and tests, study science and general and professional knowledge, train talented people for both Army and local construction, emulate local people's good experience in reform, bring about emancipation of the mind in the Army, and promote reform in the Army itself. Moreover, by taking part in national construction, the Army can directly produce wealth for the country, work for the well-being of the people, and win their respect and admiration, thereby further deepening mutual understanding and bringing closer relations between the Army and the government and between the army and the people.

COAL MINISTER VISITS DATONG MINES IN SHANXI

HK230323 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 22 Feb 85

[Excerpt] On the 1st and 2d days of the lunar new year, the workers of Datong Mining Bureau produced a total of 168,000 tons of coal, exceeding the plan by 1,895 tons. All the mines exceeded their quotas. Gao Yangwen, minister of coal; Ye Qing, vice minister; and Vice Governor Yang Wuhong paid a visit to the bureau during the Spring Festival to extend regards to the miners. They also went down the mines to observe production.

BRIEFS

MILITARY SCIENCE SEMINAR -- A seminar on modern military science and technology for senior cadres opened 7 February in Beijing, under the auspices of the PLA General Staff Department. The seminar will hold one or two sessions monthly, and lectures will be given by experts and scholars in science and technology and in social science, as well as responsible persons of the departments concerned. The first lecture, entitled "The New Technological Revolution and Its Impacts on Military Affairs," was given today by Huan Xiang, adviser to the Chinese Academy of Social Sciences. Attending the lecture were more than 1,000 people, including leading comrades from the PLA General Staff Department, General Political Department, and General Logistics Department, as well as various arms and services of the PLA and military academies. [Summary] [Beijing Domestic Service in Mandarin 1100 GMT 7 Feb 85 OW]

CPPCC MEMBER DIES -- Beijing, 12 Feb (XINHUA) -- Zhang Wenyou, a renowned Chinese geologists, member of the Presidium and the Scientific Council of the China Academy of Sciences, and member of the CPPCC, died of illness on 11 February at the Beijing Sino-Japanese Friendship Hospital. He was 75. [Excerpt] [Beijing XINHUA Domestic Service in Chinese 0910 GMT 12 Feb 85 OW]

ELECTRICAL APPLIANCE OUTPUT -- Beijing, 18 Feb (XINHUA) -- China's light industrial production made a good start in January this year. In particular, the output of household electric appliances and other marketable goods in short supply have increased by a big margin. According to latest statistics: The output of refrigerators in China rose 93 percent in January 1985, compared with January 1984; while the output of washing machines increased by 77.8 percent, and the production of sugar, glass products for daily use, and detergents increased by more than 30 percent. The total output value of light industry in January 1985 amounted to 12,790 million yuan, up 22.4 percent from January 1984. [Text] [Beijing XINHUA Domestic Service in Chinese 1253 GMT 18 Feb 85 OW]

FUJIAN'S XIANG NAN ATTENDS SPRING FESTIVAL PARTY

OW211117 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 20 Feb 85

[Excerpt] On the morning of 20 February the provincial gymnasium was decorated with paper lanterns, and was permeated with laughter and a merry and festive atmosphere. Over 5,000 people from the province and Fuzhou attended a grand gathering here in celebration of the Spring Festival.

Prior to the opening of the gathering the Fuzhou Military Region, the provincial party committee, and the provincial government held a tea party for veteran comrades. The provincial leaders Xiang Nan, Hu Ping, Ma Xingyuan, Hu Hong, Wu Hongxiang, and Chen Xu, as well as leading comrades of the Fuzhou Military Region Fu Kuiqing, Zhu Yaohua and (Zhao Huaqing), attended the tea party with old Red Armymen, retired veteran cadres, and family members of late comrades, and exchanged festive greetings.

Comrade Wang Yishi presided over the tea party. Comrades Hu Ping and Fu Kuiqing delivered ebullient speeches.

ZHEJIANG'S RURAL ECONOMY NOTES HISTORIC CHANGES

OW242116 Beijing XINHUA Domestic Service in Chinese 0750 GMT 24 Feb 85

[Text] Hangzhou, 24 Feb (XINHUA) -- Historic changes were noted in Zhejiang's rural economy in 1984. Of the total output value registered in the rural areas in that year, the output value of the province's township and town enterprises exceeded the agricultural output value for the first time. It was also the first year during which the number of people engaged in nonagricultural operations exceeded the number of people engaged in agricultural operations. Moreover, over 60 percent of the province's agricultural products were cash crops.

In 1978 Zhejiang's agricultural output represented 76.9 percent of the total value of production in the rural areas, and the output value of township and town enterprises represented only 23.1 percent. Last year, the proportion of agricultural output value dropped to 43.4 percent whereas the proportion of output value scored by township and town enterprises rose to 56.6 percent, with total output reaching 15 billion yuan. The total output value of township and town enterprises in Shaoxing and Yin Counties accounted for more than 80 percent of the total value of output in the rural areas.

In recent years an increasing number of people in Zhejiang's rural areas have switched to nonagricultural operations. Last year over 50 percent of the labor force in the province's rural areas were engaged in nonagricultural operations, and over 20 percent of the total labor force were working for township and town enterprises. In some areas the proportion of labor forces engaged in agricultural and nonagricultural operations is respectively 4 to 6, 3 to 7, or 2 to 8, and the proportion in some areas has even reached 1 to 9, thus ending the previous situation where over 80 percent of the labor force in the rural areas were engaged in food production.

In recent years the commodity rate of Zhejiang's agricultural production has been rising sharply. In 1978 the peasants themselves consumed over one-half of the products they produced, meaning that less than 50 percent of their products were cash crops. Last year, over 60 percent of the province's agricultural products were cash crops, and the state alone purchased over 4 billion yuan of agricultural products in the province. That was more than double that sold to the state in 1978.

GUANGDONG CADRES PUNISHED IN TOBACCO FRAUD CASE

HK250228 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 18 Feb 85

[Text] According to NANFANG RIBAO, the provincial CPC Committee, the provincial government and the provincial Discipline Inspection Committee recently agreed to seriously deal with the party member-cadres who committed serious errors of bureaucracy and exaggeration in a tobacco swindling case. In addition, they have issued a circular to the province's party members so as to educate the party member-cadres.

The tobacco swindling case was a premeditated one in which the Chinese side colluded with a foreign one when engaging in international trading activities. They practiced fraud during the period between January 1981 and January 1982. When the Guangdong Native Products Import and Export Company imported tobacco on behalf of the No 2 Guangzhou cigarette plant, the company was swindled by unscrupulous merchants in Hong Kong and overseas for more than \$4.27 million. The company later recovered \$1.3 million after taking actions.

In this major swindling case, a key factor that enabled the criminals to get away with the money was that some leading cadres of the provincial Committee for Foreign Trade and Economic Relations and the provincial Foreign Trade Bureau seriously indulged in bureaucratism, and that some staff members in charge of the work seriously neglected their duties.

With the approval of the provincial CPC Committee, the provincial government and the provincial Discipline Inspection Commission, it has been decided to take the following measures to deal with the personnel who committed serious errors of bureaucracy and are directly responsible for them:

It has been decided to remove (Wang Qi), former vice chairman of the provincial Committee for Foreign Trade and Economic Relations and deputy secretary of the provincial Organization Department.

It has also been decided to give a disciplinary warning to (Zhao Huaixin), former deputy director of the provincial Foreign Trade Bureau and member of the provincial Organization Department.

It also has been decided to punish cadres who committed errors of exaggeration. (Cao Ke), former head of the Import and Export Department of the provincial Committee for Foreign Trade and Economic Relations, has been removed from office. (Hui Tinghua), former deputy head of Import and Export Department of the provincial Foreign Trade Bureau and later the department head, has been removed from office. (Ge Baojia), manager of the provincial Native Products Import and Export Company, has been given a serious disciplinary warning. (He Jimin), assistant manager of the company has been recorded a demerit. Other party member-cadres who were leaders in charge of the work have been seriously criticized and have received education.

GUANGDONG LEADER ON PARTY RECTIFICATION ISSUES

HK240557 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 24 Feb 85

[Text] According to NANFANG RIBAO, in accordance with the arrangements of the provincial CPC Committee, party rectification in the leading organs of prefectures and cities will get underway after the Spring Festival. Before the festival, the office of the provincial CPC Committee's Group for Guiding Party Rectification held a meeting of Party Rectification Office directors of prefectural and city CPC committees to check on preparations for the work and look into relevant issues.

Lin Ruo, secretary of the provincial CPC Committee and head of the committee's group for guiding party rectification, pointed out at the meeting: Doing a good job in party rectification and prefectural and city level is of great significance. The prefectural and city CPC committees and the party organizations of units carrying out rectification must fully understand the necessity and urgency of party rectification and be resolved to do this work thoroughly.

Lin Ruo said: Unifying understanding regarding the necessity and urgency of party rectification remains an important task to be tackled during study of the party rectification documents in the prefectural and city units carrying out rectification. At present some party-member cadres have different ideas on party rectification; they either equate it with reform of the economic structure, or else separate it from economic work. Both of these ideas are one-sided and incorrect. They must be seriously corrected through study.

Lin Ruo pointed out: In rectification in the prefectures and cities, it is necessary to focus on correcting unhealthy practices, and in particular on correcting new unhealthy practices of taking advantage of reforms to resell at profit goods in short supply, indiscriminately hike prices, indiscriminately pay subsidies, and make a fortune at the expense of reform.

Lin Ruo stressed: Party rectification in the prefectures and cities must be imbued throughout with rectification and correction. It is necessary to get on with solving problems unearthed during party rectification. Only by carrying out simultaneous rectification and correction can we spur the continuous deepening of rectification and enhance the masses' confidence in rectification, with the result that rectification can be still more successful.

HUNAN'S FIRST-STAGE RECTIFICATION SUCCESSFUL

HK220133 Changsha Hunan Provincial Service in Mandarin 0000 GMT 22 Feb 85

[Excerpts] Since the 3d Plenary Session of the 11th CPC Central Committee, and especially as a result of first stage party rectification, profound changes have taken place in Hunan, as in the whole country. To put it briefly, the healthy development of first-stage party rectification has brought a scene of great vitality and vigor to the province.

At present the great majority of first-stage party rectification units have completed organizational measures and the reregistration of party members. The units have regarded opposing bureaucratism and the unhealthy practices of using power for private purposes as the breakthrough point in rectification and correction.

As a result of 1 year of effort, the malpractices of occupying excessive housing, failing to repay loans, readjusting wages in violation of policies, and illegally changing household registration from agricultural to non-agricultural have been basically stopped. The province has also seriously grasped the work of weeding out people of these categories and paid attention to strengthening the building of the leadership groups and the third echelon.

Party rectification has greatly stimulated reforms and economic work. Total output value of industry and agriculture last year exceeded 40 billion yuan, showing a rise of 11 percent over 1983. Financial revenue was 3.1 billion yuan, an increase of nearly 10 percent.

HUNAN'S MAO ZHIYONG ADDRESSES FESTIVAL PARTY

HK220831 Changsha Hunan Provincial Service in Mandarin 0000 GMT 21 Feb 85

[Excerpt] Yesterday morning the provincial CPC Committee, the provincial People's Congress Standing Committee, the provincial people's government, the provincial CPPCC General Office, and the Political Department of the provincial military region held a Spring Festival party at the auditorium of the provincial military region. Some 2,000 people from all circles of Changsha gathered happily to celebrate the festival.

On behalf of the provincial CPC Committee, the preparatory group of the provincial Advisory Committee, the provincial Discipline Inspection Committee, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial military region, provincial CPC Committee First Secretary Mao Zhiyong first wished all the participants a happy new year and extended season's greetings to workers, peasants, intellectuals, scientific and technological personnel, people's teachers, medical personnel, commanders and fighters of PLA, the Armed Police Force, all democratic parties and personages in the province, and to the comrades of all trades who were working on the holidays.

In his speech Mao Zhiyong said: Over the past year, the country has made rapid developments in various fields. Like the rest of the country, our province, under the correct leadership of the CPC Central Committee, has made new progress in all fields. The province's industrial and agricultural output value for 1984 exceeded 40 billion yuan, marking an increase of over 10 percent over the previous year. The province's revenues for 1984 exceeded 20 billion yuan, marking an increase of more than 10 percent over the previous year. Markets are thriving, with brisk buying and selling. The first stage of party rectification was carried out smoothly and remarkable achievements have been made in this respect. Both the political and economic situation in the province are good. However, the province's economic growth rate is slightly lower than the national average. Compared with that of advanced provinces and cities in particular, we have a long way to go. In the new year, we must further develop the economic according to the four tasks put forth by the central leadership so as to achieve the target of doubling the province's industrial and agricultural output value 1 year ahead of schedule. The people in the province must get a clear understanding of the excellent situation in reform, realize the hard tasks they have to take up, carry out all work more urgently, strengthen their confidence in quadrupling the province's gross industrial and agricultural output value, work together with one heart, and continuously make new contributions to the four modernizations.

SICHUAN PLA ON NEGATING CULTURAL REVOLUTION

HK240227 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Feb 85

[Text] The CPC Committee of Chengdu Military Region has clearly identified the key points and set strict political standards in grasping total negation of the Cultural Revolution in units involved in the second stage of party rectification. Results have been good.

The CPC Committee held a telephone conference at the end of January, which specifically pointed out: It is necessary to spend time and effort on education in totally negating the Cultural Revolution, and succeed in clearly understanding the erroneous theories that launched the Cultural Revolution and the serious harm done by the Cultural Revolution, clearing away muddled ideas on the Cultural Revolution, summing up the experiences and lessons, and investigating people of three categories. Afterwards, the CPC Committee heard reports from unit after unit and provided appropriate guidance for them, pointing out the key issues each should focus on solving.

The move of the CPC Committee in setting strict political standards has made the second-stage party rectification units attach a high degree of importance to totally negating the Cultural Revolution. They have readjusted their party rectification arrangements and extended the time assigned to education in totally negating the Cultural Revolution.

In the course of this education, the organs of Sichuan Military District and the CPC Committee of a certain unit stationed in Chongqing have promoted heart-to-heart talks and chats. Everyone has conducted more self-criticism and united as one to look ahead. The alienation of many years has been swept away and the knots untied.

XIZANG FIRST SECRETARY YIN WELCOMES BUSINESSMEN

OW240558 Beijing XINHUA Domestic Service in Chinese 0004 GMT 24 Feb 85

[By reporter Wan Wenyu]

[Text] Lhasa, 24 Feb (XINHUA) -- Three representatives of self-employed individuals and collective units from the interior who have come to do business in Xizang recently attended a meeting to exchange the experiences of advanced individuals and collective units that have become well-to-do by working hard in Xizang. Yin Fatang, first secretary of the autonomous region party committee, told them: You are welcome to run stores and do business in Xizang. You have become rich, and the market in Xizang has become invigorated. It benefits everyone.

The three businessmen came separately from Sichuan Province and Zhejiang Province. Xinjin County, Sichuan Province, sent some businessmen to enter Xizang in September last year. They coordinated with the departments concerned in Lhasa City to run five stores and one restaurant to sell Sichuan snacks and merchandise liked by Tibetan people. They also hired and trained 52 local people awaiting jobs. Since Jin Genshou--a self-employed photographer from Zhejiang--came to Xizang, he has enthusiastically served the Tibetan people. He not only took to the streets of Lhasa, but also went deep into the farming and pastoral areas and into the mining district, as high as 4,000 meters, to take pictures of the masses and miners of Tibetan nationality. Recently he and his wife opened up the "West Lake Photo Studio" in Lhasa.

According to incomplete statistics, the number of self-employed individuals and handicraftsmen who have come to Xizang from various provinces, municipalities and autonomous regions since summer last year exceeds 10,000. Some of them have gone deep into pastoral and farming areas to run catering services, sell goods of all types, spread economic information, and make contributions to invigorating the economy and developing the tertiary industry in Xizang.

LI LIGONG ON AVOIDING FORMALISM IN SHANXI REFORM

HK211442 Beijing RENMIN RIBAO in Chinese 18 Feb 85 p 1

[Report by Wang Aisheng: "Li Ligong Stresses Need To Keep a Cool Head During Reform"]

[Text] Li Ligong, secretary of the Shanxi Provincial CPC Committee, said at a work conference of the committee on 2 February: We should soundly and satisfactorily carry out the economic structural reform and we should never be hotheaded. The better the situation, the calmer we should be. We should strictly prevent and correct the malpractices of making a pretty show of reform, of deception, and of carrying out reform in form only.

Li Ligong said: The leading groups at all levels must be clearly aware of the serious harm of formalism and should adopt measures to resolutely prevent and correct it. Resorting to deception and conducting formalism is aimed at pursuing personal fame, gain, and position. The means employed to achieve this are deception and fraud. Its evil results are that it brings harms to both the people and the state, that it makes the upper and lower levels and the people at the same level lose confidence in one another, that it destroys the relationship between the party and the masses of people, and that it makes us fail to base our various major policy decisions on objective reality. We should teach our cadres to keep well in their minds the goal of serving the people and to oppose pursuing their private gain by fraud.

The leading comrades in a small number of areas do not publish figures in the light of the reality there, but first ask about the figures published elsewhere and then decide what figures they should publish. We should award those cadres who provide both good and bad news and we should correct the irrational practice of "awarding those who give us good news and punishing those who give us bad news."

Li Ligong said: "The leading cadres at the provincial, prefectural and county levels should not pursue formalism nor act indiscriminately like a swarm of bees in 'going out of their offices to the lower level.'" In order to go out to widen their field of vision and learn from other people's experiences, they should have a definite aim, bring questions with them, and organize people into inspection teams to make relevant professional investigations and they should satisfactorily digest and assimilate what they find in the investigations after they return from their inspection tours. They should not organize mixed teams to make general inspections. Nor should they set out for another inspection tour immediately after they return from one inspection tour without satisfactorily popularizing and exploiting the advanced experiences in the light of the reality in their own areas. They should avoid making inspection tours successively. They should pay particular attention to the real results and should not allow the activities of inspection tours to get out of hand.

Li Ligong said: It is necessary to give appropriate material awards to party and government leading cadres above the county level in implementing the responsibility system and evaluating their performance. However, it is not appropriate to give them great rewards or punishments linked to the fulfillment of their work tasks or with economic targets. Party and government organs differ from enterprises and malpractices are apt to emerge in giving these rewards and punishments.

COMMENTARY ON TIANJIN RECTIFICATION ACHIEVEMENTS

SK230537 Tianjin TIANJIN RIBAO in Chinese 6 Feb 85 p 1

[Commentator's article: "Consolidate and Develop Party Rectification Achievements"]

[Excerpt] At present, 25 percent of the units participating in the first-stage party rectification have begun to examine and sum up their party rectification work of the past year, and nearly 50 percent of the units will begin to examine and sum up the work before the Spring Festival. We should conscientiously implement the guidelines of the Circular No 11 of the Central Party Rectification Guidance Commission, enhance understanding, seek truth from facts, earnestly and successfully carry out the work of examining and summing up party rectification, consolidate and develop the achievements in the first-stage party rectification, and continuously promote party building.

To successfully examine and sum up the party rectification work of the past year is an important guarantee in fulfilling in high standard and high quality the tasks of the first-stage party rectification, which should be a success from beginning to end. It is also an indispensable step in the party rectification work. It will certainly be used for reference and will actively promote the municipality's second-stage party rectification. Therefore, all the units participating in the first-stage party rectification should conscientiously study the guidelines of the Circular No 11 of the Central Party Rectification Guidance Commission, thoroughly understand the importance of the examination and summing-up work, and carry it out in all seriousness.

We should carry out the examination and summing-up work straightforwardly and in a down-to-earth manner. The present party rectification is the best one in the history of our party since the Yanan Rectification Movement. It has many new characteristics and has created many new experiences. Through the examination and summing-up work, we should correctly estimate and fully affirm the achievements in the present party rectification; discover existing problems and deficiencies and adopt effective measures to solve them; and sum up the major experiences in party building in new historical conditions. This requires us to fully rely on all party members in conducting the examination and summing-up work, persistently seek truth from facts, and carry out the work in a down-to-earth manner by proceeding from the surface to what lies behind and proceeding from one point to another. The purpose of the work will never be attained if we carry it out perfunctorily by allowing only a few people to write down some vague achievements and measures at offices.

The purpose of the examination and summing-up work is to consolidate and develop the party rectification achievements, and continuously promote party building. The present party rectification can only solve the major and important problems within the party which need urgent solutions, while consolidating and developing the party rectification achievements and doing a good job in party building in the new period are a prolonged task. For this reason, we should pay particular attention to consolidating and developing the party rectification achievements. In conducting the examination and summing-up work, we should foster the idea of consolidating and developing the party rectification achievements, and strengthening party building, and earnestly sum up the major experiences in party building in the new historical conditions. We should not evade the existing problems and deficiencies, but should adopt measures and actively solve them.

LI PAYS FESTIVAL VISIT TO HEILONGJIANG VETERANS

SK221010 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 21 Feb 85

[Excerpts] On 21 February, the second day of the Spring Festival, the provincial leading comrades paid a visit, amid heavy snow, to households of noted personages and retired veteran comrades to extend festive greetings.

Li Lian, secretary of the provincial CPC Committee, and Li Genshen, Standing Committee member of the provincial CPC Committee and secretary general of the provincial CPC Committee, paid the first visit to the home of Wang Yilun, former secretary of the provincial CPC Committee and retired veteran cadre, to extend festival greetings to him and his family members.

During his visit to the home of Zhao Shijie, member of the CPPCC National Committee, vice chairman of the provincial Jiu San Society, and professor of the Harbin City Medical University, Comrade Li Lian held a cordial talk with him. Upon his departure, Comrade Li Lian asked Professor Zhao Shijie to relay his greetings to all members of the Jiu San Society.

Governor Chen Lei and Vice Governor An Zhendong visited the households of Wang Zhaozhi, vice chairman of the provincial People's Congress Standing Committee and chairman of the provincial KMT Revolutionary Committee, and Xu Zhenying, member of the CPPCC National Committee and professor of the Northeast Agricultural College.

LIAONING PLA HELPS BUILD SPIRITUAL CIVILIZATION

SK230208 Shenyang LIAONING RIZAO in Chinese 6 Feb 85 p 1

[Excerpts] During the past year, the Shenyang Military Region and the PLA units stationed in Liaoning sent a great number of cadres and soldiers to participate in the activities of army men and civilians cooperatively building spiritual civilization, thus making great contributions to promoting spiritual civilization in our province.

During the activities, leading persons at various levels of the PLA units took the lead in setting examples. Li Desheng, commander, and Liu Zhenhua, political commissar of the Shenyang Military Region, often inspected the work in units where spiritual civilization was promoted cooperatively by army men and civilians.

The People's Armed Forces departments at all levels of the province also vigorously mobilized and organized militiamen to participate in the building of civilized units. These activities have further improved relations between the Army and the people, strengthened the unity between the Army and the people and between the Army and the government, promoted the province's industrial and agricultural production and other undertakings, and opened vast vistas for the building of civilized cities and countryside.

LI XUEZHI ADDRESSES NINGXIA RURAL WORK MEETING

HK221151 Yinchuan NINGXIA RIBAO in Chinese 1 Feb 85 p 1

[Report: "Li Xuezhi Speaks at Ningxia Regional Rural Work Conference"]

[Text] It is necessary to earnestly implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee and the spirit of the National Conference on Rural Work in depth, to further reform the managerial system of the rural economy, to further extend market regulation under the guidance of the national plan, and to readjust the production mix based on the principle of "industry, agriculture, and commerce," so as to make a greater breakthrough in developing the commodity economy in the rural areas and increasing the peasants' income. This is the task for rural work in the region as formulated by the regional conference on rural work.

The regional conference on rural work was held in Yinchuan between 22 and 31 January. Participants in the conference seriously studied the 10 policies adopted by the CPC Central Committee and the State Council on further invigorating the rural economy, exchanged their experiences in the development of the commodity economy by enterprises in towns and townships and specialized households, studied and drew up the specific policies and regulations for the region on implementing the spirit of the National Conference on Rural Work, made several stipulations on protecting rural specialized households, and stipulated the tasks for rural work from now on.

The conference held that since the 3d Plenary Session of the 11th CPC Central Committee, in particular, with the issuance of the three Central Committee Documents No 1 in 3 successive years, the initiative of the peasants in production has been unprecedentedly enhanced, and there has been an overall growth of agricultural production throughout the region. The gross agricultural output value, the output of grain, the acreage planted with grass and trees, and the output value of enterprises in towns and townships reached record highs in 1984, and the vast countryside is facing a favorable time for accelerating the development of commodity production. We must seize this opportunity to further relax policies, reform the managerial system, extend market regulation, and promote the readjustment of the production mix so that the various trades in the rural areas may develop in harmony and the rural production may be shifted onto the commodity economy track. All localities should earnestly implement the 10 policies adopted by the Central Committee and the State Council, and the relevant stipulations adopted by the regional party committee and government. They should reform the system of unified purchasing of agricultural produce, help in the readjustment of the production mix, and further relax the policies for the mountainous and forest areas. They should take an active part in running communications undertakings, develop enterprises in towns and townships in a big way, and encourage the peasants to develop mining and other operations for development. It is necessary to encourage the transfer of qualified people. Financial policies in the rural areas should be eased and the economic results of monetary circulation should be improved. The cooperative system in the rural areas should be developed and completed and perfected on the basis of the principle of voluntary mutual benefit and the needs of the commodity economy. The economic ties between the urban and rural areas should be extended, and guidance on the building of small towns should be strengthened. And conditions should be created to import good strains, advanced technology, installations, and funds, so as to develop the exporting of agricultural produce and its processed products. Thus, the rural productive forces will certainly be further emancipated, and will bring about a new upsurge in agricultural production and the healthy development of the second reform in the rural areas.

Attending the conference on the morning of 30 January were the leading comrades of the regional CPC Committee, Advisory Commission, Standing Committee, the regional People's Congress government, and the CPPCC. Comrade Hao Tingzao and Comrade Li Xuezhi delivered a report entitled "Grasp the Whole Situation, Guide the In Depth Reform, and Promote the Continuous Development of the Rural Commodity Economy in the Region." According to him, as a result of the serious implementation of the spirit of the 3d Plenary Session of the 11th CPC Central Committee, the region has successfully fulfilled the first rural reform and stepped up the pace in the reform of the whole economic system with cities as the key link; it has been the best period for the autonomous region since its founding, with the urban and rural areas promoting each other and promoting development in the political and economic situation. The excellent situation in the rural areas of our region finds expression in 10 respects: there has been a good beginning in the readjustment of the production mix in the rural areas; there has been an historic breakthrough in planting grass and trees; a still bigger strike has been made in production of a developmental nature; a new situation has appeared in enterprises in towns and townships; there has been laudible accomplishments in foreign and domestic economic and technological exchanges; the trends of development in commodity production and circulation have been getting better and better; specialized households and combination bodies have demonstrated all the more their role as a task force in developing rural commodity production; there has been a stronger atmosphere for learning and applying science; there has been a comparatively faster improvement in the living standards of the peasants; and the rank and file of cadres who understand economics and are capable of management of the trial-blazing type is growing.

Comrade Li Xuezhi said, in the new year, we are facing the second major reform in the rural areas. With the unfolding of the reform of the whole economic structure in an overall way with cities as the key link, as stipulated in the "Decision" adopted by the 3d Plenary Session of the 12th CPC Central Committee, higher requirements have been set for the reform in the rural areas and, at the same time, new motivations have been provided for the rural reform. "There will be no stability without the development of agriculture," and taking agriculture as the base is correct and must be continued. However, with the economy developed to the present level, "there will be no prosperity without the development of industry," and industry should be put in first place. We should organize and arrange production in accordance with the principle of "industry, agriculture, and commerce" in the respective order of priority. This principle starts from reality, the requirements of the new situation, and the new tasks for the economic development of our region. Strategically, the focus of the work of the whole party is shifted to the economic reform with the cities as the key link, and the roles of urban work and the industrial economy have become more and more conspicuous. The rural areas in our region are weak in their industrial base (enterprises in towns and townships), which has gravely affected the harmonious development of the national economy, in particular, agriculture and commerce. Regarding the rural economy, without a developed rural industry, without developed enterprises in towns and townships, there will be no developed rural economy. This is because with rural industry, the production mix can be rational, there will be an abundance of commodities, agricultural and sideline produce will be able to increase their output value through multiple levels of processing, the surplus labor force in the rural areas will be brought into play, and natural resources will be fully exploited. Besides, when rural industry is developed, a new type of urban-rural relationship will be gradually established.

The development of rural industry will promote the development of mass agriculture as well, and step up the pace in making the peasants grow rich. Therefore, the principle of "developing industry, agriculture, and commerce" in the respective order of priority conforms with the actual conditions of Ningxia, and is an active principle for speeding up the development of the national economy as well. Therefore, it is necessary for us to do a good job in implementing this principle by starting from the actual conditions and suiting measures to local conditions, in a truth-seeking manner. It is necessary for the mountainous areas to plant grass and trees in a big way, to develop animal husbandry and diversified management, and actively develop industry and enterprises in towns and townships. The irrigated areas should readjust their production mix according to the principle of "industry, agriculture, and commerce" in the respective order of priority; under the condition of maintaining stable growth in grain output, it is necessary for them to grasp in a big way the processing of agricultural and sideline produce and the building of materials industries, communications and transportation mining and to develop the tertiary industry which renders services to the people in their livelihoods, so that there may be harmonious development in agriculture, forestry, animal husbandry, sideline occupations, fishery, industry, commerce, transportation, building, and the service trades.

In his report, Comrade Li Xuezhi also required the leadership at all levels and of all departments concerned to earnestly study the new problems emerging in the development of the commodity economy in the rural areas of our region and to help in readjusting the production mix in the rural areas, extending market regulation, developing enterprises in towns and townships, stepping up the pace in developmental production, setting up new-type economic relations in foreign and domestic economic and technological exchanges, and in exploiting intelligence and qualified people in a big way, so as to promote the development of the rural economy.

In reference to specialized households, Comrade Li Xuezhi praised them as the vanguards of rural commodity production and the representatives of advanced productive forces, holding that the rise of specialized households has opened up the gate leading to prosperity through hard work and has played the role of transforming agriculture from a partially self-sufficient economy to the commodity economy, and from traditional to modern agriculture. He required the leadership at all levels to further eliminate "leftist" influences, to popularize the advanced feats of specialized households in a big way, to give full support to specialized households, and to protect their legitimate rights and interests in a down-to-earth way.

In his report, Comrade Li Xuezhi stressed that the stipulations of the CPC Central Committee and state Council on the 10 policies concerning further invigorating the rural economy is another programmatic document which has pointed out the orientation of development of the rural economy from now on and is of very great guiding significance. The regions and all prefectures, counties, and townships should organize their cadres to study these policies before sending them to the rural areas to popularize them, so that every household will know the spirit of the document, making it set down roots in the hearts of the people. Regarding the documents issued in the past, those that violate the spirit of the 10 policies of the central authorities should be resolutely corrected. Leading cadres at the regional, prefectural, and county levels should spend 2, 4, and 6 months respectively this year in conducting investigation and research in grassroots units, so as to continuously improve their abilities in leading economic work, and in implementing the principles and policies of the central authorities with creativity.

In conclusion, Comrade Li Xuezhi said, the year 1985 is the first year of the all-round reform with cities as the key link, and a year of great development of the rural commodity economy.

It is imperative for us to emancipate our minds, to enhance our vigor, to do a good job in reform, readjustment, and transformation in a down-to-earth way, to further develop commodity production, and to strive for the prosperity of the nation, Ningxia, and the people!

At the conference on 30 January the Regional CPC Committee and people's government commended 206 representatives of rural specialized households, and 28 had the glorious titles of regional labor models conferred on them for their outstanding contributions. They were decorated with medals, seated in the front rows of the congregation, and were warmly acclaimed by the participants of the conference. The leading comrades of the region issued certificates of honor and prizes of them. A mass meeting was held on 31 January, at which the representatives of specialized households exchanged their experiences in developing commodity production.

BAI ADDRESSES SHAANXI TRADE UNION COMMITTEE

HK200941 Taiyuan SHAANXI RIBAO in Chinese 3 Feb 85 p 1

[Report by reporters Guo Junhua and Qi Wenbing: "Bai Jinian on Improving Party Leadership Over Trade Unions at Plenary Session of the Provincial Trade Union Federation Committee"]

[Text] Bai Jinian, secretary of the provincial CPC Committee, gave a speech to the whole body of comrades attending the Third Plenary (Enlarged) Session of the Seventh Provincial Trade Union Federation Committee on 1 February. He fully affirmed the great achievements scored in our provincial trade union work in 1984 and expressed the hope for still greater progress in the new year.

Comrade Bai Jinian called on trade union cadres to show constant concern over and become acquainted with the whole situation. Only in this way can we give full play to the role of trade union organizations in reform and construction. He said that in order to carry out reforms successfully, all lines and trades and all fronts must link realities with the elimination of "leftist" influences and what is old and emancipate the mind. At present, the important thing is that we must get rid of the remnant poisons and influences of the "Great Cultural Revolution." We must do away with many "leftist" policies, slogans, and practices that were formed over a long period under the guidance of "leftist" ideas, including hackneyed regulations and systems incompatible with the new conditions and many unwritten ideas and concepts. We must eliminate the idea of the small-peasant economy and the feudal patriarchal clan concept and its influence in various fields. Comrade Bai Jinian pointed out that trade unions have historically suffered great sabotage and interference from the "left." We must pay particular attention to eliminating "leftist" influences and destroying the old -- ridding ourselves of various historical burdens. The trade union is a working-class mass organization. In eliminating "leftist" influences and destroying the old, we should take the lead in putting things on a mass basis and realizing democratization.

In his speech, Comrade Bai Jinian stressed that party committees at all levels must strengthen and improve leadership over trade unions. Party leadership over trade unions means mainly leadership involving the party's line and general and specific policies. At present, we want trade unions to link the party's general and specific policies on reform and construction with the realities of trade union work and creatively carry them out. It should be noted that among our party cadres, quite a large number of comrades have long been involved with class struggle and rural work and are still not well adjusted to and familiar with the shift of the focus of party work to economic construction and the shift of the focus of reform to the cities.

Therefore, they lack a proper understanding of the importance of relying on the working class and trade union organizations to properly handle the reform of the urban economic system. That explains why some party committees have still not put trade union work on the agenda and have even transferred trade union cadres away to do rural work. This reflects that the party committees of the relevant areas are still at the leadership level of the 1950's. Still some party organizations have got used to "unified leadership." This has given rise to a situation in which the boundary between party and mass duties is blurred. Also, some leading comrades in charge of trade union work have refrained from studying and researching the party's trade union work guidelines. Instead, they take charge of trade union work as dictated by not quite scientific personal wishes, habits, and preferences. None of these cases help give full play to the role of trade union organizations. We must strengthen and improve leadership over trade unions, energetically support trade unions and workers' congresses in taking part in democratic management and assure the workers' position as masters of the house in an enterprise.

To strengthen and improve leadership over trade unions, we must properly staff leading groups of trade unions at all levels with personnel in line with the requirements for "modernized" cadres. In future, the chairmen of basic-level trade unions must change the system of using workers by appointment, as is actually practiced, to a system of direct elections on a democratic basis. The appointment or dismissal of the leading cadres of trade unions at all levels must be referred to relevant party committees for examination and clearance, after approval is obtained from the higher level trade union bodies that are in charge. Working personnel of trade union organs and institutions must be tested and assessed for employment by trade unions in line with the requirements for "modernized" cadres. If a party or government department insists on placing old and weak cadres with low cultural standards in a trade union, the latter has the right not to accept them.

EDITORIAL ON PRC STRATEGY FOR HELPING CAMBODIA

HK240659 Hong Kong WEN WEI PO in Chinese 24 Feb 85 p 2

[Editorial: "China's Strategy in Supporting Democratic Kampuchea's Resistance Against Vietnam"]

[Text] Vietnam mounted a full-scale offensive against Phnum Malai, the Khmer Rouge base, with this evil intention: As long as the Khmer Rouge is ousted, all problems can be negotiated; even a "national reconciliation" brought about by Sihanouk and Son Sann on one hand and Heng Samrin on the other is acceptable. In addition to peddling these "new proposals" in order to wangle peace, it also spread a smokescreen by saying that it is going to hold talks with China's foreign minister and by extravagantly talking about a "Tet cease-fire."

Vietnam is now adopting a two-handed strategy. In action, it tries to solve problems by force and to encircle and suppress the anti-Vietnamese guerrilla forces and refuses to withdraw its troops in order to achieve the objective of prolonged occupation. In words, it keeps calling for "negotiations." The purpose of the "negotiations," that is, the other hand, is to disrupt the unity between the three Democratic Kampuchean parties and to cut off the Cambodian anti-Vietnamese forces from the political and military support offered by the international community in order to gain something that cannot be gained on the battlefield.

However, the international community has seen through Vietnam's evil intention and it is not going to let Vietnam succeed in annexing Cambodia. Thailand has shown its firm stand in its support for Democratic Kampuchea. The ASEAN has declined Vietnam's "new proposals" too. Indonesia invited 90 countries to commemorate the Bandung Conference. Democratic Kampuchea, not Heng Samrin's puppet regime, is invited. In its attempt to settle the Cambodian issue by force, Vietnam has achieved negative results. The international forces which love peace and uphold justice are joining hands and giving Democratic Kampuchea more and more support.

China unswervingly supports Democratic Kampuchea. Immediately after Vietnam took Phnum Malai, CPC General Secretary Hu Yaobang and Vice Chairman Yang Shangkun of the Central Military Commission inspected the Kunming PLA units. Hu Yaobang pointed out: "it is one of our important decisions to eliminate the threat posed by the Vietnamese authorities to the security of our border areas and to uphold peace and stability in Southeast Asia." "As long as the Vietnamese authorities withdraw from Cambodia their troops pursuing an unjust cause and give up their expansionist policy, they can rebuild the traditional friendship between China and Vietnam." This is an answer to one of Vietnam's two hands, that is, "to settle the Cambodian issue by force." It also exposes the evil intentions behind its "negotiations."

If Vietnam desires "peace," it can withdraw its troops from Cambodia. All other gestures are useless. Before Vietnam withdraws its troops, it would be unrealistic to have any illusions about Vietnam.

People may wonder whether or not China will teach Vietnam another "lesson" and, in cooperation with Democratic Kampuchea, "relieve the besieged by besieging the base of the besiegers."

The current situation is different from that in 1979, when Vietnam launched a lightning attack against Phnom Penh, in that Democratic Kampuchea is not encircled and in difficulties at present. The greatest support for Democratic Kampuchea would be to establish an even more comprehensive international anti-Vietnamese united front. Democratic Kampuchea has lost only Thmeai village and its surrounding areas. However, it can still operate in the Phnum Malai area and has command posts along the long Chaine des Cardamones.

It takes the initiative in striking at the Vietnamese forces around the Tonle Sap and has even reached points only 30 km away from Phnom Penh. That means, the fire of guerrilla warfare has not gone out. The guerrilla forces have broken up into small groups and penetrated the interior of Cambodia. The battlefield has become more extensive.

Turning a deaf ear to China's warnings, Vietnam continues to carry out provocation in the border areas. China has stated that it will punish Vietnam when necessary. However, Li Xiannian's visit to Thailand and Burma and the Chinese Navy delegation's visit to Bangkok have conveyed a message to us: China lays greater stress on striving for the international community's sympathy with and support for Democratic Kampuchea. In the course of Democratic Kampuchea's anti-Vietnamese struggle, so long as various countries, particularly Cambodia's neighbors, play a more active role and there is a constant supply of grain and arms to Democratic Kampuchea, then Democratic Kampuchea will be able to bottle up and wear down the Vietnamese aggressors.

Recently, Vietnamese troops have been building highways and digging trenches along the Thai-Cambodian border and have closed the border. They are precisely afraid that the Democratic Kampuchean troops might cross the border to get reinforcements. However, there are mountains and jungles all the way along the more than 700 km-long Thai-Cambodian border. How many troops must Vietnam deploy in order to stop up all the gaps? In this way, Vietnam has a longer front and longer supply lines and its forces become more dispersed. The Vietnamese forces' long front and their dispersion are precisely a favorable condition for the guerrilla troops to vanquish their enemy. At present, Vietnamese troops are being redeployed. They appear to be triumphant for the time being. However, they will find themselves more and more tightly encircled.

PRC HONG KONG, MACAO AFFAIRS OFFICE RESTRUCTURED

HK250320 Hong Kong TA KLNG PAO in Chinese 25 Feb 85 p 1

[Special dispatch from correspondent Hou Tung-hai: "Hong Kong and Macao Affairs Office Carries Out Structural Readjustment, Forming Four Departments and One Section"]

[Text] Beijing, 24 Feb -- The office in charge of Hong Kong and Macao affairs under the State Council recently carried out a structural readjustment. Through the new structural readjustment this office, analogous to a ministry under the government, now has four departments and one section. At the same time, the Ministry of Foreign Affairs has also added a new office which is responsible for foreign affairs related to the Hong Kong-Macao region. This is obviously an organizational measure to strengthen work in Hong Kong and Macao after the signing of the Sino-British joint declaration on the question of Hong Kong so as to deal with the new situation emerging in Hong Kong and Macao.

Meanwhile, preparatory work for setting up a Sino-British joint liaison group and a land commission as stipulated by the Sino-British "joint declaration" is now under way in these two offices. Observers here point out that the establishment of the Sino-British joint liaison group and the land commission will not be made known before the Sino-British joint declaration on the question of Hong Kong enters into force. This is because the establishment of the two organizations is on the basis of the "joint declaration," which is to be finally ratified by China's NPC and the British Parliament, though this is only a legal procedure by the two countries.

SOVIET NAVAL STRENGTH AT CAM RANH BAY VIEWED

HK240320 Hong Kong HSIN WAN PAO in Chinese 23 Feb 85 p 3

["Evening Talk" by Yang Chu: "The Soviet Fleet at Cam Ranh Bay"]

[Text] Thirty Ships

Assistant U.S. Secretary of Defense Armitage says that there are now 30 Soviet naval ships active each day at Cam Ranh Bay in Vietnam, including submarines and surface ships. Kurihara Yuko, director of the Japanese Defense Agency, says that the Soviets have deployed 14 MIG-23's and 20 long-range bombers at Cam Ranh Bay.

Tremendous Escalation

In the past the Soviet Union only had a few ships, 10 or so, on station at Cam Ranh Bay. Just 10 aroused great international concern. Now 30 ships are regularly active in the vicinity of Cam Ranh Bay. This is a tremendous escalation. Thirty modern surface ships and submarines represent a sizeable fleet that cannot be matched by any country in Asia, except by the U.S. 7th Fleet and the fleets of China and Japan.

These 30 Soviet warships at Cam Ranh Bay form a part of the Soviet Far East and Pacific Fleet. This fleet has grown rapidly in recent years. According to data from the Japanese Defense Agency, this fleet had 175 ships in 1982, and last year the number grew to over 800!

Vital Navigation Routes

The Soviet Far East and Pacific Fleet is based at Vladivostok. Earlier when the United States was running Vietnam, the Soviet Navy lacked shelters and supply points in Southeast Asia and the Indian Ocean, a situation which it found most inconvenient. After taking over from the United States, Vietnam took over the military port at Cam Ranh Bay which the Americans had not had time to completely destroy, with the result that the Soviet Navy gained a forward base.

With this background knowledge, people will understand why the countries of Southeast Asia feel so anxious when a crisis appears in the ANZUS alliance. It is because the Malacca Strait and all the vital navigation routes between the South Pacific and the Indian Ocean are under Soviet naval threat.

Mutual Coordination

People will also understand from this why the Soviet Union, despite the strenuous efforts needed, continues to support Vietnam's hegemonist moves to annex Cambodia and Laos and its war of aggression in Cambodia. Vietnam's vain attempt to establish an "Indochina federation" under its control and its pursuit of regional hegemonism, is in fact mutually coordinated with the Soviet pursuit of world hegemony, and they work hand in glove!

People will very naturally think that since one Cam Ranh Bay can enable the Soviet Union to make such threatening gestures, then if Vietnam "unified" Indochina, how convenient this will be for Soviet expansion in Southeast Asia and the Indian Ocean.

All Interlinked

There were quite frequent Sino-U.S. military exchanges last year, especially in the naval field. Exchange visits were paid by high-ranking naval officers of both countries. The U.S. fleet will visit China this year.

A Chinese naval delegation headed by Navy Deputy Commander Fu Jize left Beijing for Thailand yesterday. Obviously, all these moves are to some extent interlinked.

1984 HONG KONG TRADE WITH SRV GREW BY 30 PERCENT

HK250331 Hong Kong HONG KONG STANDARD in English 25 Feb 85 pp 1, 10

[Text] Hong Kong has in recent years become a major source of foreign exchange for Vietnam. Last year, despite the absence of trade or diplomatic ties with Vietnam, the territory imported a record \$650 million worth of Vietnamese agricultural and fishing products. This is an increase of nearly 30 percent over 1983.

Operating under a complicated barter trade system, the goods enable Vietnam to buy a large quantity of essentials. Export to Hong Kong is conducted on an unofficial basis but its purchases are controlled by state purchasing agencies. Most of the purchases are dictated by state requirements which have, in past years, been textiles, communications and electronic equipment. Prawns, which account for nearly one-third of the total value of exports to Hong Kong (\$200 million), are harvested from its coastal waters. They are either sold to the territory after being chilled or frozen or salted and dried. The total of both kinds during 1984 soared to an all-time high of over 14 million kg, of which about 90 percent were chilled or frozen. Vietnam is Hong Kong's second largest source for fresh prawns after Macao and it is way ahead of China and Indonesia.

Vietnam is also a principal exporter of raw materials for local perfume production. During 1983, exports of plants for this purpose topped 1.56 million kg, valued at more than \$44 million. Last year, the amount soared to nearly four million kg -- valued at more than \$65 million. Vietnam is one of only two major exporters of plants for use in the production of perfume. The top producer and supplier is China which sent more than 25 million kg, valued at nearly \$450 million in 1984.

Since the resumption of trade with Hong Kong, Vietnam has also become the major supplier of birds' feathers and skins with feathers. Of the territory's total imports, worth about \$125 million during 1984, Vietnam accounted for over half the amount.

The territory's two-way trade with Vietnam is largely balanced by re-exports to that country. However, only negligible re-exports are consumer products. Most are fertilizers, chemicals, electrical engineering equipment, farm machinery -- and recently machinery for the manufacture of textiles.

The only consumer products, which may be directly purchased or issued on ration to ordinary Vietnamese, are textiles and fabrics for clothing. Even then, many of the fabrics exported to Vietnam are those suitable for industrial uses. The Soviets, French and Japanese are Vietnam's principal trading partners. However, Hong Kong is definitely one of the country's most important sources of foreign exchange and a market for its agricultural and fishery products. The affluence of the local population and the free port facilities is one of the chief reasons for Vietnam's choice of Hong Kong as an export market when compared with other countries in the region.

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